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PART I

Form NLRB-501
(9-53)

(CHARGE TO NLRB)
Form approved.
Budget Bureau No. 64-R0018.

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD

FIRST AMENDED

CHARGE AGAINST EMPLOYER

Whenever a charge is filed by a labor organization, or an individual or group acting on its behalf, a complaint based upon such charge will not be issued unless the charging party and any national or international labor organization of which it is an affiliate or constituent unit have complied with section 9 (f), (g), and (h) of the National Labor Relations Act.

INSTRUCTIONS.—File an original and 4 copies of this charge with the NLRB regional director for the region in which the alleged unfair labor practice occurred or is occurring.

DO NOT WRITE IN THIS SPACE

Case No. 11-CA-1071

Date Filed 10-16-56

Amend: 11-1-56

Compliance Status Checked By: MD

1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT

Name of Employer: Darlington Manufacturing Company, Roger Milliken, President and Deering-Milliken & Company, Inc.

Number of Workers Employed: Approx 525

Address of Establishment (Street and number, city, zone, and State): Darlington, South Carolina, and 240 Church Street, New York City, New York

Type of Establishment (Factory, mine, wholesaler, etc.): Textile plant

Identify principal product or service: Textile products

The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8 (a), subsections (1) and (3) and (5) (List subsections) of the National Labor Relations Act, and these unfair labor practices are unfair labor practices affecting commerce within the meaning of the act.

2. Basis of the Charge (Be specific as to facts, names, addresses, plants involved, dates, places, etc.)

On or about October 16, 1956, and thereafter, the employer laid off or terminated its employees, and continues to do so; these lay-offs or terminations constitute discrimination in regard to hire and tenure of employment, and terms and conditions of employment in order to discourage membership in the undersigned labor organization.

On or about October 25, 1956, and thereafter, the employer, by threatening to close, preparing to close, and closing its Darlington, South Carolina plant, and other acts and conduct, has refused to bargain with the undersigned labor organization, which is the duly designated representative of its employees.

By these and other acts and conduct, the employer has interfered with, restrained and coerced its employees in violation of their rights as guaranteed in Section 7 of the Act as amended.

(1) and (3) and (5) of the National Labor Relations Act, and these unfair labor practices are unfair labor practices affecting commerce within the meaning of the Act.
(List subsections)

2. Basis of the Charge (Be specific as to facts, names, addresses, places involved, dates, places, etc.)

On or about October 16, 1956, and thereafter, the employer laid off or terminated its employees, and continues to do so; these lay-offs or terminations constitute discrimination in regard to hire and tenure of employment, and terms and conditions of employment in order to discourage membership in the undersigned labor organization.

On or about October 25, 1956, and thereafter, the employer, by threatening to close, preparing to close, and closing its Darlington, South Carolina plant, and other acts and conduct, has refused to bargain with the undersigned labor organization, which is the duly designated representative of its employees.

By these and other acts and conduct, the employer has interfered with, restrained and coerced its employees in violation of their rights as guaranteed in Section 7 of the Act as amended.

3. Full Name of Party Filing Charge (if labor organization, give full name, including local name and number)

Textile Workers Union of America, AFL-CIO

4. Address (Street and number, city, zone, and State) | Telephone No.

110 W. Sixth Street, Charlotte 2, North Carolina | Fr 6-7571

5. Full Name of National or International Labor Organization of Which It Is an Affiliate or Constituent Unit (To be filled in when charge is filed by a labor organization)

American Federation of Labor and Congress of Industrial Organizations

6. Address of National or International, if any (Street and number, city, zone, and State) | Telephone No.

Washington, D.C.

7. DECLARATION

I declare that I have read the above charge and that the statements therein are true to the best of my knowledge and belief.

By Bruce E. Davis
(Signature of representative or person filing charge)

10/31/56 (Date) Int'l Representative (Title, if any)

WILLFULLY FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U. S. CODE, TITLE 18, SECTION 80)

U. S. GOVERNMENT PRINTING OFFICE 16—87600-6

Form NLRB-877
(7-49)

(CHARGE: NLRB)

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD

In the Matter of

DARLINGTON MANUFACTURING COMPANY,
ROGER MILLIKEN, PRESIDENT AND
DEERING-MILLIKEN & COMPANY, INC.

and

TEXTILE WORKERS UNION OF AMERICA, AFL-CIO

Case No. 11-CA-1071

AFFIDAVIT OF SERVICE OF Letters enclosing copies of Amended Charge.

DATE OF MAILING November 1, 1956

I, the undersigned employee of the National Labor Relations Board, being duly sworn, depose and say that on the date indicated above I served the above-entitled document(s) by post-paid registered mail upon the following persons, addressed to them at the following addresses:

Darlington Manufacturing Company
Roger Milliken, President
Darlington, South Carolina

Darlington Manufacturing Company
Roger Milliken, President
[illegible] Church Street
New York City, New York

Deering-Milliken & Company, Inc.
240 Church Street

AFFIDAVIT OF SERVICE OF Letters enclosing copies of Amended Charge.

DATE OF MAILING November 1, 1956

I, the undersigned employee of the National Labor Relations Board, being duly sworn, depose and say that on the date indicated above I served the above-entitled document(s) by post-paid registered mail upon the following persons, addressed to them at the following addresses:

Darlington Manufacturing Company
Roger Milliken, President
Darlington, South Carolina

Darlington Manufacturing Company
Roger Milliken, President
240 Church Street
New York City, New York

Doering-Milliken & Company, Inc.
240 Church Street
New York City, New York

Subscribed and sworn to before me

this 1st day of November, 1956

Designated Agent.

NATIONAL LABOR RELATIONS BOARD

GPO 912

General Counsel Exhibit 1D

1242

AM. CHG. 11-CA-1071 DARLINGTON MFG. CO. 11-1-56 RJW

DELIVERING EMPLOYEE ☐ Deliver ONLY to addressee. (Does not apply to Certified mail.)

NEW YORK, N.Y.

☐ Show address where delivered.

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. Deering Milliken & Co. Inc
(Signature or name of addressee)

2. [illegible]
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of Delivery 11-7-56, 19

CHG. 11-CA-1071 DARLINGTON MFG. CO. 11-1-56 RJW

DELIVERING EMPLOYEE ☐ Deliver ONLY to addressee. (Does not apply to Certified mail.)

DARLINGTON, S.C.

☐ Show address where delivered.

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. Darlington Mfg. Co. & J Co
(Signature or name of addressee)

2. [illegible]
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of Delivery NOV 2- 1956, 19

AM. CHG. 11-CA-1071 DEERING-MILLIKEN & CO., INC. RJW 11-1-56

DELIVERING EMPLOYEE ☐ Deliver ONLY to addressee. (Does not apply to Certified mail.)

☐ Show address where delivered.

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

Article, the number of which appears on the face of this return receipt.

1. Deering Milliken & Co. Inc
(Signature or name of addressee)

2. [illegible]
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of Delivery 11-7-56, 19

CHG. 11-CA-1071 DARLINGTON MFG. CO. 11-1-56 RJW

DELIVERING EMPLOYEE ☐ Deliver ONLY to addressee. (Does not apply to Certified mail.)
DARLINGTON, S.C.
☐ Show address where delivered.

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. Darlington Mfg Co
(Signature or name of addressee)

2. [illegible]
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of Delivery NOV 2 - 1956, 19

AM. CHG. 11-CA-1071 DEERING-MILLIKEN & CO., INC. RJW
11-1-56

DELIVERING EMPLOYEE ☐ Deliver ONLY to addressee. (Does not apply to Certified mail.)
☐ Show address where delivered.

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. [illegible]
(Signature or name of addressee)

2. [illegible]
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of Delivery ____, 19____

General Counsel Exhibit 2B

October 25, 1956

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. J. W. Oeland, Plant Manager
Darlington Manufacturing Company
Darlington, South Carolina

Dear Sir:

The following telegram has been sent to you today for the purpose of arranging immediate collective bargaining conferences between the Darlington Manufacturing Company and the Textile Workers Union of America, AFL-CIO.

"We have just been notified that the National Labor Relations Board yesterday officially certified the Textile Workers Union of America (AFL-CIO) as exclusive bargaining agency for Darlington Manufacturing employees. In accordance with the Labor-Management Relations Act, I hereby request a conference between you and the representatives of the Textile Workers Union for purposes of collective bargaining in a spirit of good faith as required by law. We are prepared to meet with you for negotiations at once in order to cooperate in maintaining operations of the mill and preserving jobs of Darlington workers. In view of the urgency of these problems, I propose negotiating conference be held no later than Monday, October 29, or Tuesday, October 30, at any time, place and hour you find most convenient. An immediate reply is requested."

General Counsel Exhibit 2B

The maintenance of the jobs of the Darlington Manufacturing Company employees is of such importance that I do hope that by the time you receive this letter you will have already set the time and place for a meeting. If you have not already done so, I trust you will act immediately with a full awareness of our mutual obligations and legal obligations.

Very truly yours,

BOYD E. PAYTON
Southern Director

BEP:hh

General Counsel Exhibit 2C

[Letterhead of]

DARLINGTON MANUFACTURING COMPANY
DARLINGTON, SOUTH CAROLINA

October 25, 1956

Mr. Boyd E. Payton
Southern Director
TWUA, AFL-CIO
110 West Sixth Street
Charlotte 2, North Carolina

Dear Mr. Payton:

I am in receipt of your telegram of October 25th.

We have not been notified by the National Labor Relations Board of the official certification of Textile Workers Union of America, AFL-CIO as exclusive bargaining agent.

I am forwarding your telegram to our attorney, Mr. J. D. Poag, of Price & Poag, as it will be necessary for us to arrange a meeting with him for any discussions. We presume that we will in due course receive official notification from the National Labor Relations Board.

We are sure that you will hear from Mr. Poag, our attorney, in due course.

Very truly yours,

J. M. OELAND
J. M. Oeland
Treasurer

jmo-m
cc: Mr. J. D. Poag

General Counsel Exhibit 2D

[Letterhead of]

LAW OFFICES
PRICE & POAG
101 Lawyers Building
Greenville, South Carolina

October 27, 1956

Mr. Boyd E. Payton
Southern Director
Textile Workers Union of America
AFL - CIO
Charlotte, North Carolina

Dear Sir:

Your telegram of October 25, addressed to J. M. Oeland, Plant Manager, Darlington Manufacturing Company, Darlington, South Carolina has been referred by Mr. Oeland to this firm as attorneys for the Company.

We received the telegram this morning and wish to promptly advise you that on yesterday we had a call from Mr. Robert J. Wall, Field Examiner requesting a meeting with him at Darlington and suggesting Wednesday October 31st. We very readily agreed to meet with Mr. Wall at Ten o'clock on that day and will be there at the appointed time. If you plan to be in Darlington on next Wednesday, we will discuss with you an arrangement for a meeting to be held as promptly as can reasonably be expected.

Very truly yours,
PRICE & POAG
By J. D. POAG
J. D. Poag

JDP/w

General Counsel Exhibit 2E

[Letterhead of]

TEXTILE WORKERS UNION OF AMERICA
AFFILIATE OF THE AFL-CIO
110 West Sixth Street
Charlotte 2, North Carolina

November 1, 1956

Mr. J. D. Poag
Price and Poag, Attorneys
101 Lawyers Building
Greenville, South Carolina

Dear Mr. Poag:

This will confirm our conversation of October 31st at the Company's office in Darlington at which time arrangements were made for a meeting for the purpose of negotiations on November 7th at 10:00 a. m. at the Company's office in Darlington, S. C.

Unless notified to the contrary, Mr. Payton will be present at the conference.

Very truly yours,

Bruce R. Davis
International Representative

cc: National Labor Relations Board
Eleventh Region
Messrs. Boyd E. Payton
Lloyd A. Gossett

General Counsel Exhibit 2F

[Letterhead of]

TEXTILE WORKERS UNION OF AMERICA
AFFILIATE OF THE AFL-CIO
110 West Sixth Street
Charlotte 2, North Carolina

November 2, 1956

Mr. J. M. Oeland, Treasurer
Darlington Manufacturing Company
Darlington, South Carolina

Dear Sir:

Will you please have available for me Wednesday, November 7th, a list of all the people who have been terminated, their job classifications, what departments they represent and date of their termination. I would appreciate it very much if you would keep me currently advised of any future terminations, furnishing the same information as requested above.

In the event you cannot have this list available by Wednesday, you may compile it and mail it to me at this office.

Thanking you, and with kind regards, I am

Sincerely yours,

Boyd E. Payton
Southern Director

cc: Mr. James D. Poag
Greenville, S. C.

General Counsel Exhibit 2G

November 26, 1956

Mr. J. M. Oeland, Treasurer
Darlington Manufacturing Company
Darlington, South Carolina

Dear Sir:

Renewing the unfulfilled request set forth in my letter of November 2, 1956, and in order to bargain intelligently and understandingly on behalf of your employees for whom we were certified on October 24, 1956 as the collective bargaining agent and to properly discharge our functions as the statutory representative of these employees, the Textile Workers Union of America does hereby request that you furnish it promptly, in writing, with the following information:

1. The names of all employees employed by you since Sept. 6, 1956, together with their ages, length of service, job classifications, job duties, and individual wage rates.

2. A list of all job classifications in existence since Sept. 6, 1956, including descriptions and the number of employees in each classification.

3. The starting rate for each job classification, the schedule of progression, if any, from the starting to the minimum rate, the guaranteed minimum rate, and a history of wage increases or decreases for each job classification over the past 5 years.

4. The names of all employees whose employment has been terminated since Sept. 6, 1956, together with the

General Counsel Exhibit 2G.

date of their termination. It is also requested that the Union be informed of the name and date of termination of each employee hereafter terminated.

At the bargaining conference which took place on November 7, 1956, the Union requested that the Company state why it is necessary to close the plant. In reply to this request, the Company's representatives asserted that one of the reasons that the plant is closing is because of adverse financial conditions. It is, therefore, requested that you furnish the Union, in writing, with full and complete financial data to support or substantiate the Company's claim.

Very truly yours,

Boyd E. Payton
Southern Director

BEP:h
bc: NLRB
Wyle
Davis

General Counsel Exhibit 21

[Letterhead of]

LAW OFFICES

PRICE & POAG
101 Lawyers Building
Greenville, South Carolina

November 30, 1956

Mr. Boyd E. Payton
Southern Director
Textile Workers Union of America
110 West Sixth Street
Charlotte 2, North Carolina

Dear Sir:

Your letter of November 26, addressed to J. M. Oeland, Treasurer, Darlington Manufacturing Company, has been properly referred to us as attorneys for the Company.

You state that certain information is requested "in order to bargain intelligently and understandingly on behalf of" the employees.

We cannot refrain from questioning the sincerity of this statement in the light of developments following our meeting on November 7th.

We met with you on that date at your request, in good faith, and you had no proposals to make. Our purpose in meeting was deliberately misrepresented and our motives impugned by your Mr. John Edelman, who was not at the meeting, but who gave out a public statement from Washington, D. C., in which he was quoted in the press as say-

General Counsel Exhibit 21

ing: that the meeting was "a purely staged event, the Company showing no intention to bargain and obviously made the move for the meeting as a plan by its lawyers to give a technical out for the Union charge the Company has refused to bargain".

Before we give you information we will have to be assured that it is for a legitimate use rather than for propaganda purposes.

Furthermore, the information requested in your letter was discussed at our meeting and you will recall that it was stated certainly by Mr. Gossett, that this information was wanted so that it could be passed on to a prospective purchaser both before and after the sale. This statement obviously negatives the idea that the information is desired for bargaining purposes.

I wish to correct the last statement in your letter. You say that "Company representatives asserted that one of the reasons that the plant is closing is because of adverse financial conditions". The assertion was made that the plant is closing for "business reasons".

Very truly yours,

PRICE & POAG

By J. D. Poag
J. D. Poag

JDP/w

cc: Mr. J. M. Oeland
Treasurer
Darlington Manufacturing Company
Darlington, South Carolina

General Counsel Exhibit 3

NOTICE

VACATION PAY UNDER THE DEERING MILLIKEN VACATION PLAN WILL BE PAID ON THURSDAY, JUNE 28, 1956.

THE MILL WILL CLOSE DOWN ON TUESDAY NIGHT JULY 3RD AT MIDNIGHT AND WILL START AGAIN ON WEDNESDAY NIGHT JULY 4TH AT MIDNIGHT.

W. A. GOODWIN
W. A. Goodwin
PRODUCTION SUPERINTENDENT

WHICH WILL YOU CHOOSE?

General Counsel Exhibit 4

The records prove that TWUA-CIO has caused many textile mills to close, ending jobs and bringing hunger and privation to people who want to work. Where that happens, only the money-hungry union dues collectors benefit–everybody else loses!

DON'T LET THREATS OF VIOLENCE OR FANCY PROMISES DESTROY <u>YOUR</u> JOB

VOTE NO!

General Counsel Exhibit No. 7

The minutes of the directors' meeting held on January 17, 1956, prior to the stockholders' meeting and following the stockholders' meeting were read and approved. These minutes were approved without correction.

The following resolution was presented:

> RESOLVED that the act of the treasurer upon approval of the directors for the payment of the regular dividend due August 31, 1956, of 15 cents per share payable to stockholders of record August 25, 1956, is hereby confirmed.

A letter signed by each director stating his approval of this action had been received by the treasurer prior to the dividend and is filed in the minute book. The above resolution was unanimously approved.

The question of the change in the pension plan was discussed. Option C was added to Section 8.03 Optional Benefits in Lieu of a Life Annuity and was unanimously approved. This option was as follows:

Option C. A participant may elect to convert the pension which he would be entitled to receive for life into a lump sum of equivalent acturial value which sum shall be segregated, held and invested by the trustee as a separate fund and the net income derived thereon following retirement shall be paid to the retired participant quarterly so long as he shall live and the principal and undistributed income, if any, held by the Trustee on the date of the death of the retired participant shall be paid to the beneficiary designated

by such participant in the manner and pursuant to the provisions of Article IX of this plan.

For further clarification of the above refer to THIRD AMENDMENTS to "The Deering, Milliken Mills Retirement Plan", which is made a part of these minutes.

Draft of Preamble and Resolutions for Adoption by Board of Directors of Deering, Milliken Mills was presented. The Chairman referred to the investment provisions of the Trust Agreement, between Deering, Milliken Mills and J. P. Morgan & Co., Incorporated, Trustee, pursuant to the Deering Milliken Mills Retirement Plan, and stated that it would be desirable to amplify such provisions with respect to the investment powers and duties of the Trustee. After discussion, on motion duly made, and unanimously carried it was

RESOLVED, that pursuant to the provisions of Section 8.1 of the Trust Agreement between Deering, Milliken Mills and J. P. Morgan & Co., Incorporated, Trustee, the board of directors of Darlington Manufacturing Company hereby orders that the provisions of Section 2.1 of said Trust Agreement be amended as follows:

1. By deleting subparagraph (a). and substituting therefor the following subparagraphs

(a) to (d) inclusive:

(a) To invest and reinvest the Trust Fund and keep the same invested, without distinction between corpus and income, in any property, real, personal or mixed, or share or part thereof, or part interest therein, wherever situate, and whether or not a productive of

income, including but not being limited to: capital, common and preferred stocks; personal, corporate and governmental obligations, secured or unsecured; mortgages, leaseholds, fees and other interests in realty; oil, gas or mineral properties, rights, royalties, payments or other interests in such property; contracts, conditional sale agreements, choses in action, trust and participation certificates, or other evidences of ownership, part ownership, interest or part interest; and in making such investments and reinvestments the Trustee shall not be restricted to those of the character authorized for fiduciaries under any present or future laws or administrative regulations or pursuant to any rule of court; nor shall the Trustee be limited as to the amount or type of any investment in relation to the amount or type of investments constituting the Trust Fund as a whole.

(b) To form a corporation or corporations under the laws of any jurisdiction for the purpose of investing in and holding title to any property.

(c) To keep such portion of the Trust Fund in cash or cash balances as the Trustee may deem advisable from time to time and, without affecting the generality of the foregoing, the Trustee shall keep such portion of the Trust Fund in cash or cash balances as may be specified from time to time in a written request of the Committee to meet contemplated requisitions or orders of the Committee, and shall not be required to pay interest on such cash balances or on cash in its hands pending investment.

(d) To enter into stand-by agreements, either with or without a stand-by fee.

General Counsel Exhibit No. 7

2. By redesignating present paragraphs (b) to (g), inclusive as (e) to (j), inclusive.

FURTHER RESOLVED, that the officers of Darlington Manufacturing Company be and they hereby are authorized and directed to execute, acknowledge and deliver to the Trustee for signature an instrument setting forth the amendments as ordered by the foregoing resolution.

FURTHER RESOLVED, that notwithstanding any provision of said Trust Agreement as now in effect or as amended in accordance with the foregoing resolutions, the Trustee be and hereby is authorized to retain any and all investments now constituting the Trust Fund thereunder.

After discussion on the resolutions Mr. H. A. Hatch moved that the resolutions be adopted. This was seconded by Mr. Minot Milliken and approved by the Board of Directors. The following resolution was offered for adoption:

"BE IT HEREBY RESOLVED that the Board of Directors recommend to the stockholders that the Corporation go into liquidation, wind up its affairs and dissolve with all convenient speed, all in accordance with Section 12-641 et. seq. of the 1952 Code of Laws of South Carolina, and

BE IT FURTHER RESOLVED that the President shall call a special meeting of the stockholders at the earliest possible date to act upon this resolution, notice thereof being given as required by Section 12-642."

General Counsel Exhibit No. 7

After discussion a motion was seconded and the resolution was adopted by unanimous vote.

On motion made and seconded the meeting was adjourned.

Approved: /s/ J. M. Oeland
Oct. 17, 1956.

General Counsel Exhibit 8

MINUTES OF SPECIAL MEETING OF THE STOCKHOLDERS OF DARLINGTON MANUFACTURING COMPANY, DARLINGTON, SOUTH CAROLINA, HELD WEDNESDAY, OCTOBER 17, 1956.

Pursuant to notice a special meeting of the stockholders of this company was held at the office of the company in Darlington, South Carolina at 10:00 A. M. Wednesday, October 17, 1956.

The meeting was called to order by the President, Mr. Roger Milliken, who acted as chairman of the meeting. Mr. J. M. Oeland was designated as secretary and recorded the minutes of the meeting.

Messrs. J. H. Lyles and J. M. Oeland were appointed by the chairman as canvassers to ascertain the number of shares represented in person and the number of shares represented by proxy and to report on the total number of shares represented either in person or by proxy. The canvassers made their report stating that 129,328 shares were represented by proxy and 9,357 shares were represented in person. This comprised the majority of the stock, and the meeting was opened for business.

The secretary read the minutes of the annual stockholders' meeting held January 17, 1956. The minutes were approved without correction.

The secretary read the published notice of the stockholders' meeting carried in the News & Press of September 12, 1956.

This notice is recorded in the minute book.

The following resolution was read by the secretary to the stockholders:

General Counsel Exhibit 8

WHEREAS: There have been certain developments related to the continued operation of Darlington Manufacturing Company which might definitely affect the competitive position of the Company and its future operation, and

WHEREAS: These developments were of such serious import as to require a special meeting of the Board of Directors of the Corporation, which was held in Spartanburg, South Carolina, on the 12th day of September, 1956, at which time an exhaustive and careful analysis and reappraisal was made of the situation, and

WHEREAS: This investigation resulted in a recommendation by the Board to the stockholders that the Corporation liquidate and dissolve,

NOW THEREFORE BE IT RESOLVED: That Darlington Manufacturing Company shall go into liquidation, wind up its affairs and dissolve in accordance with provisions of Section 12-641, et seq., of the 1952 Code of Laws of the State of South Carolina, immediately after its present goods in process are fully manufactured, or at such time as it is determined by the officers of the corporation that such goods in process are manufactured to the extent as may be reasonably and conveniently done, and

BE IT FURTHER RESOLVED: That the Board of Directors be fully authorized and empowered to sell or cause to be sold first as a whole and then in parcels, accepting the highest price offered therefor, any or all of the physical assets and properties of the Corporation, in each instance of determination to sell particular items, at private or public auction, as they may deem ex-

pedient, and they are hereby given full power and authority to authorize the President, Roger Milliken, and/or J. M. Oeland, Treasurer, or any other of the Officers of the Corporation, to take such actions, perform such duties, to make such determinations, to execute and deliver in the name and on behalf of the Corporation, such agreements, deeds, bills of sale or other instruments as they may deem necessary or convenient to exercise and effectuate the powers and authority hereby conferred upon the Board of Directors; it being intended hereby that in all determinations to be made hereunder including without limitation of the foregoing, determinations of selling price or prices of any of the physical properties of the Corporation, the Directors and/or said President and said Treasurer, as said officers may be empowered by the Board of Directors hereunder, may determine and act as in their discretion may be deemed by them to be in the best interest of the corporation, and

BE IT FURTHER RESOLVED: That the assets of the Company shall be reduced to cash, its liabilities paid and the net proceeds of liquidation shall be distributed to the stockholders from time to time as conditions may permit and the directors may determine, provided that the final liquidating dividend shall be paid within one year from date hereof.

BE IT FURTHER RESOLVED: That upon any sale of the properties of the Corporation at public auction, no officer or director, or any corporation in which an officer or director may be interest or with which he may be connected shall be prohibited or restricted from bidding upon or purchasing any such property upon the same terms and conditions as shall apply to all bidders.

General Counsel Exhibit 8 .

BE IT FURTHER RESOLVED: That the Board of Directors be directed to report to the stockholders at their next annual meeting and make such further recommendations as they may determine upon; and present any plan or plans which they may have devised, all in respect to their acts and doings under the authorizations and powers conferred upon them at this meeting, and in respect to the future course of affairs of the Corporation.

BE IT FURTHER RESOLVED: That the Secretary forward a copy of this Resolution, signed by the President, the Secretary and a majority of the Board of Directors to the Secretary of State of South Carolina.

Upon being duly seconded, the Resolution was adopted by the vote of 134,911 shares for the adoption of the Resolution, and 3,774 shares against the adoption of the Resolution. This constituting more than a majority vote of all of the capital stock of the Corporation, the Resolution was declared "Adopted". A copy of this resolution is included in the minute book and a part of these minutes.

This resolution was discussed at length by the stockholders.

Motion for its adoption was made and seconded. The Resolution was adopted by a vote of 134,911 shares for adoption and 3,774 shares against adoption. All the shares voting against the adoption were represented by proxies.

Upon motion the meeting was adjourned.

/s/ J. M. OELAND

Approved:

General Counsel Exhibit 9

MINUTES OF DIRECTORS' MEETING OF DARLINGTON MANUFACTURING COMPANY HELD AT DARLINGTON, SOUTH CAROLINA, WEDNESDAY, OCTOBER 17, 1956, FOLLOWING THE SPECIAL MEETING OF THE STOCKHOLDERS.

The meeting of the Directors of this Company was held on October 17, 1956, at the office of the Company in Darlington, South Carolina.

A quorum was present, namely:

Mr. J. H. Lyles
Mr. Gerrish H. Milliken, Jr.
Mr. Roger Milliken
Mr. W. S. Nicholson
Mr. J. M. Oeland

Prior notice had been forwarded to the Directors as is required.

The meeting was called to order by the President, Mr. Roger Milliken. Mr. J. M. Oeland was designated to serve as secretary of the meeting.

The minutes of the directors' meeting held at Drayton Mills on September 12, 1956, were read and approved.

The official notice of the action of the stockholders was presented, as follows:

> Pursuant to the action of the stockholders, the officers were instructed to take immediate steps to arrange for the sale of the real estate, plant, buildings, machinery equipment, office furniture and fixtures, and all associated plant assets owned by the company at auction to be held on or in the vicinity of the properties to be sold on December 12th and 13th.

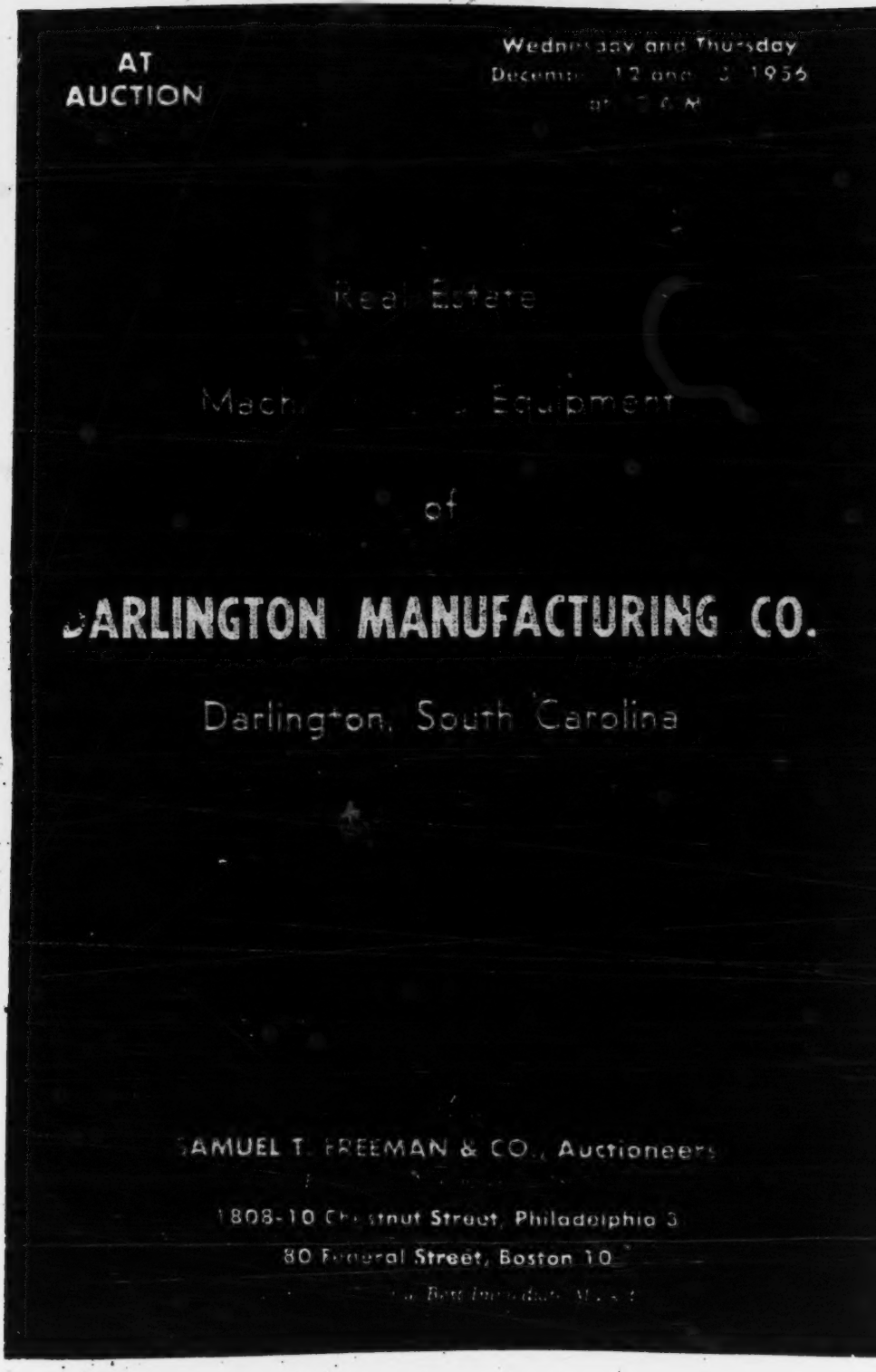
* * *

General Counsel Exhibit 9

The Treasurer requested that $6700.00 be set aside for year end bonuses for supervisors and office salaried personnel. This request was granted and approved by the Directors.

The Treasurer further requested that $500.00 be paid by the Company to Mr. T. J. Glenn for his services in connection with some personnel matters connected with the Company. This too was approved by the directors.

General Counsel Exhibit 10



General Counsel Exhibit 10

SAMUEL T. FREEMAN & CO. AUCTIONEERS - APPRAISERS

ESTABLISHED 1805

NEW ENGLAND OFFICE
50 FEDERAL ST. BOSTON 10, MASS.

1808 CHESTNUT STREET
PHILADELPHIA 3, PA.

To the Cotton Industry:

In all of my forty some odd years of auction experience in the textile field, from Maine to Texas, I have never had the pleasure of offering for sale a cotton mill as modern and up to date as the Darlington Manufacturing Company.

The modernization program which has been under way for some time shows its effect in the excellence of the machinery of every department. Throughout the mill there is evidence of outstanding maintenance and upkeep.

From the opening room right through to the laboratory it is apparent that no expense has been spared in equipping the plant with the best machinery, most up to date modifications, and meticulous care in maintenance.

I truly take pride in offering this plant for sale, and assure you purchases you make here will represent your selection from the finest cotton mill machinery on the market today.

Samuel T. Freeman & Co

Addison R. Freeman

SAMUEL T. FREEMAN & CO.
ADDISON R. FREEMAN

General Counsel Exhibit 11

NEWS RELEASE

DARLINGTON MANUFACTURING COMPANY TO BE SOLD

Darlington, S. C. October 17, 1956

The stockholders of Darlington Manufacturing Company today voted a majority of the stock in favor of the recommendation of the Board of Directors to liquidate the company.

In the interests of lessening the hardship caused to the City of Darlington by the loss of the employment furnished by the plant it was decided to offer all of the physical assets of the plant at auction at the earliest possible opportunity, namely, December 12th and 13th.

Prospective purchasers of the plant or the equipment can make arrangements for inspection of the property through Samuel T. Freeman & Company who have been engaged to conduct the auction sale.

Darlington Manufacturing Company is a well-known, up-to-date cotton mill producing carded fabrics of broadcloth, printcloths, poplins, and oxfords.

Due to an extensive modernization program in effect for the past several years, the machinery and equipment at this mill are excellent and in up-to-date condition.

The real estate comprises about 31 acres of land with a mill building containing 200,000 sq. ft. of manufacturing space and warehouses containing 50,000 sq. ft.

Major equipment at the mill consists of: Modern opening and picking equipment; 135 Saco & Pettee and Saco-

Lowell 45" cards with 15" x 42" coilers; 88 deliveries—18" gauge, 5 roll, Saco-Lowell Drawing with 15" x 42" coilers; Saco-Lowell 10 x 5 FS-2 Roving, 1948 model, and 12 x 6½ Whitin Inter-draft Roving, model 1955; approximately 45,000 spindles of Spinning including Saco-Lowell and Whitin 3" gauge Filling Spinning with new top drive spindles, Pneumafil, Superdraft, and lint-free Creels, and 3¼" gauge Saco-Lowell warp spinning with New Era Spindles, Roth drafting with Duo-Roth changeover on hand, 1938 and 1948 model frames; latest type Uxbridge Hot Air slashers; Barber-Colman "C" type spoolers and warpers; 84—new 1956, 50" x-2 Draper looms; 360—40" X-model Draper looms for 28" beams, 1934 to 1940 models, motor driven, 320—40" E-model Draper looms for 26" beams, motor driven, completely rebuilt in 1952; 193—40" E-model Draper looms, motor driven; modern cloth room equipment including Curtis & Marble stitchers, brushers, shearers and folders; up-to-date machine shop equipment, office and laboratory equipment; auxiliary equipment consisting of latest type Parks-Cramer frame cleaners and American MonoRail lap conveyor system.

General Counsel Exhibit 12

Abbeville Mills Corp., Abbeville, S. C.
Cowan Mill, Lewiston, Maine
Darlington Mfg. Co., Darlington, S. C.
Drayton Mills, Spartanburg, S. C.
Dutchess Bleachery, Wappinger Falls, N. Y.
Excelsior Mills, Clemson, S. C.
Excelsior Mills, Rutherfordton, N. C.
Excelsior Mills, Union, S. C.
Excelsior Finishing Plant, Pendleton, S. C.
Farnsworth Mill, Lisbon Center, Maine
Gaffney Mfg. Co., Gaffney, S. C.
Gayley Mill Corp., Marietta, S. C.
Gerrish Milliken Mill, Pendleton, S. C.
Hartsville Cotton Mills, Hartville, S. C.
Hatch Mill Corp., Columbus, N. C.
Johnston Mills, Inc., Johnston, S. C.
Jonesville Products Co., Jonesville, S. C.
Judson Mills, Greensville, S. C.
Kingsley Mill Corp., Thomson, Ga.
Laurens Mill, Laurens, S. C.
Lockwood-Duchess, Inc., Lockwood Division, Waterville, Maine
Lockhart Power Co., Lockhart, S. C.
McCormick Spinning Mill, Inc., McCormick, S. C.
Monarch Mills, Lockhart Plant, Lockhart, S. C.
Monarch Mills, Monarch Plant, Union, S. C.
Monarch Mills, Ottaray Plant, Union, S. C.
Pacolet Mfg. Co. No. 6, Gainesville, Ga.
Pacolet Mfg. Co. No. 4, New Holland, Ga.
Pacolet Mfg. Co. Nos. 3 and 5, Pacolet, S. C.
Union Processing Company, Gaffney, S. C.

DEERING, MILLIKEN MILLS

PURCHASING DEPARTMENT
Phone 3-3654 P. O. Box 2327
Greenville, S. C.

DATE: March 7, 1956

TO:

Brown-Rogers-Dixson Co.
P. O. Box 1597
Spartanburg, S. C.

REQUEST FOR QUOTATION No. 2576

DO NOT SHIP
OBSERVE INSTRUCTIONS

1. To receive consideration, your bid must be mailed (IN DUPLICATE) to this office at once.
2. It MUST contain: PRICE, TERMS, F.O.B. point, DATE you can DELIVER and the NUMBER of this REQUEST.
3. All substitutes offered must be clearly defined.
4. ALL correspondence, calls, or visits concerning this request MUST be directed to THIS OFFICE.
5. Caution. Please check carefully your quotations before submitting.

MILL: REG. NO.

FOR SHIPMENT TO:
Darlington, S. C.

General Counsel Exhibit 12

PLEASE QUOTE US YOUR BEST PRICE
ON THE FOLLOWING:

QUANTITY	DESCRIPTION	
1	Pressure gauge 0-150 lb. range for water service	7.64 ea

[Copy Illegible]

IF YOU DO NOT RECEIVE OUR PURCHASE ORDER WITHIN 15 DAYS PLEASE CONSIDER THIS BUSINESS PLACED ELSEWHERE

IMPORTANT: Your Bid must contain: PRICE, TERMS, F.O.B. Point, DATE you can DELIVER, and the NUMBER of this REQUEST FOR QUOTATION!

THIS IS NOT AN ORDER

General Counsel Exhibit 13

DAILY NEWS RECORD

10/3/56

Deering-Milliken
Posts Announcement

SPARTANBURG, S. C., Oct. 2.—Wage increases affecting thousands in Spartanburg County's textile industry were made known by officials today for Monday. Amounts were not disclosed.

Plants and companies telling of pay hikes were Deering, Milliken & Co., the Spartan group, Inman and Riverdale mills, and all Reeves Bros. mills.

Roger Milliken, president of Deering, Milliken, operating plants in Spartanburg, Cherokee, Union, Pickens, Greenville and Darlington Counties, said the following notice has been posted in the company's plants:

"The Administration in Washington has not yet worked out the details of a positive or permanent solution to the problem of low-cost Japanese imports competition. But in a speech last weekend, Sherman Adams, speaking for the Administration, promised that they were committed to work out a solution of this problem that would be satisfactory to the American textile industry, and would stop the liquidation of American jobs and American mills that has been taking place.

"Relying on this promise, without which a wage increase would be impossible, we hereby announce an upward revision of wages, effective Oct. 8."

Company Exhibit 1

[Letterhead of]

TEXTILE WORKERS UNION OF AMERICA
AFFILIATE OF THE AFL-CIO
110 West Sixth Street
Charlotte 2, North Carolina

August 30, 1956

TO ALL DARLINGTON WORKERS:

Greetings:

On Thursday, September 6th, the United States Government will conduct a secret ballot election in your mill to give you the opportunity of selecting a Bargaining Agency to represent you in securing HIGHER WAGES, BETTER WORKING CONDITIONS, JOB SECURITY, CONTROL OF WORKLOAD and, the freedom and independence which comes from belonging to a Union and having a voice in decisions which affect your working life.

* * *

Don't be blinded by such a "smoke-screen" which is only designed to keep you from remembering the real reasons why you need a Union to eliminate the S-T-R-E-T-C-H-O-U-T, secure higher wages and insure fair treatment in the mill.

* * *

Sincerely yours,

BOYD E. PAYTON
Boyd E. Payton
Southern Director

Company Exhibit 2

[Letterhead of]

TEXTILE WORKERS UNION OF AMERICA
AFFILIATE OF THE AFL-CIO
110 West Sixth Street
Charlotte 2, North Carolina

July 25, 1956

Dear TWUA Member:

* * *

The record proves that through TWUA, AFL-CIO, textile workers are enjoying better pay, paid vacations, paid insurance, paid holidays, seniority, and above all, a voice on workloads and grievances.

* * * *

Fraternally yours,

LLOYD A. GOSSETT
Lloyd A. Gossett
TWUA Representative

Company Exhibit 4

Attachment 1

Darlington, S. C.
September 4, 1956

Fellow Workers:

A group of your fellow workers at Darlington Manufacturing Company have decided to write this letter. Maybe it won't be worded just right but we think you will understand.

Thursday is our one chance in a life-time to do something to improve working conditions at the Mill. If we should fail to take advantage of this chance we hate to think of what will happen to us after the NLRB Election. The management will bear down and we will be made to work even harder than ever before.

Just stop and think over what has been going on in the Mill for the past two or three years—you KNOW without anyone telling you. It makes no difference how hard you run your job, and how loyal you are to the Company—they just keep adding more work on and push and push us to get more and more.

* * *

As for the s-t-r-e-t-c-h-o-u-t system (only they don't call it that—they call it workload adjustment) if you are running your job well enough to take a few minutes off they come along the next day and say they have to make another "adjustment" which means more work. But, do you get an extra cent?—you don't, and if you complain they tell you to get out if you don't like it.

Is this the way American workers are supposed to be treated? Is this what so many of us fought for in the last war? We don't think so, and we need to do something about changing it.

Company Exhibit 4

A big "X" mark in that YES square on Thursday will be the first big step toward changing it. We don't need to tolerate these conditions any longer. A Union contract will set up some rules for the bosses to follow, and everyone will have to be treated fair and with justice, even though the boss likes the way we comb our hair or not.

They claim that the Mill is air-conditioned, but you know for yourself how many workers have been carried out after fainting from the heat and overwork.

* * *

From now until election they will promise anything—but don't pay any attention to their sugar-coated words. Just keep thinking about the s-t-r-e-t-c-h-o-u-t and the need for higher wages. And just keep thinking about how many workers, our friends, who have been shoved out to make room for pets! *These are the things they want us to forget*, until after the election.

* * *

Sincerely yours,

THE ORGANIZING COMMITTEE
OF DARLINGTON WORKERS.

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Company Exhibit 5

Yes, we all answer . . .

Yes for higher wages
Yes for company-paid pensions
Yes for grievance machinery
Yes for better insurance plan
Yes for job security
Yes for more paid holidays
Yes for end of favoritism

Yes for better vacations
and we vote Yes for TWUA-CIO

YES ☒ NO ☐

TEXTILE WORKERS UNION OF AMERICA, CIO

Company Exhibit 7

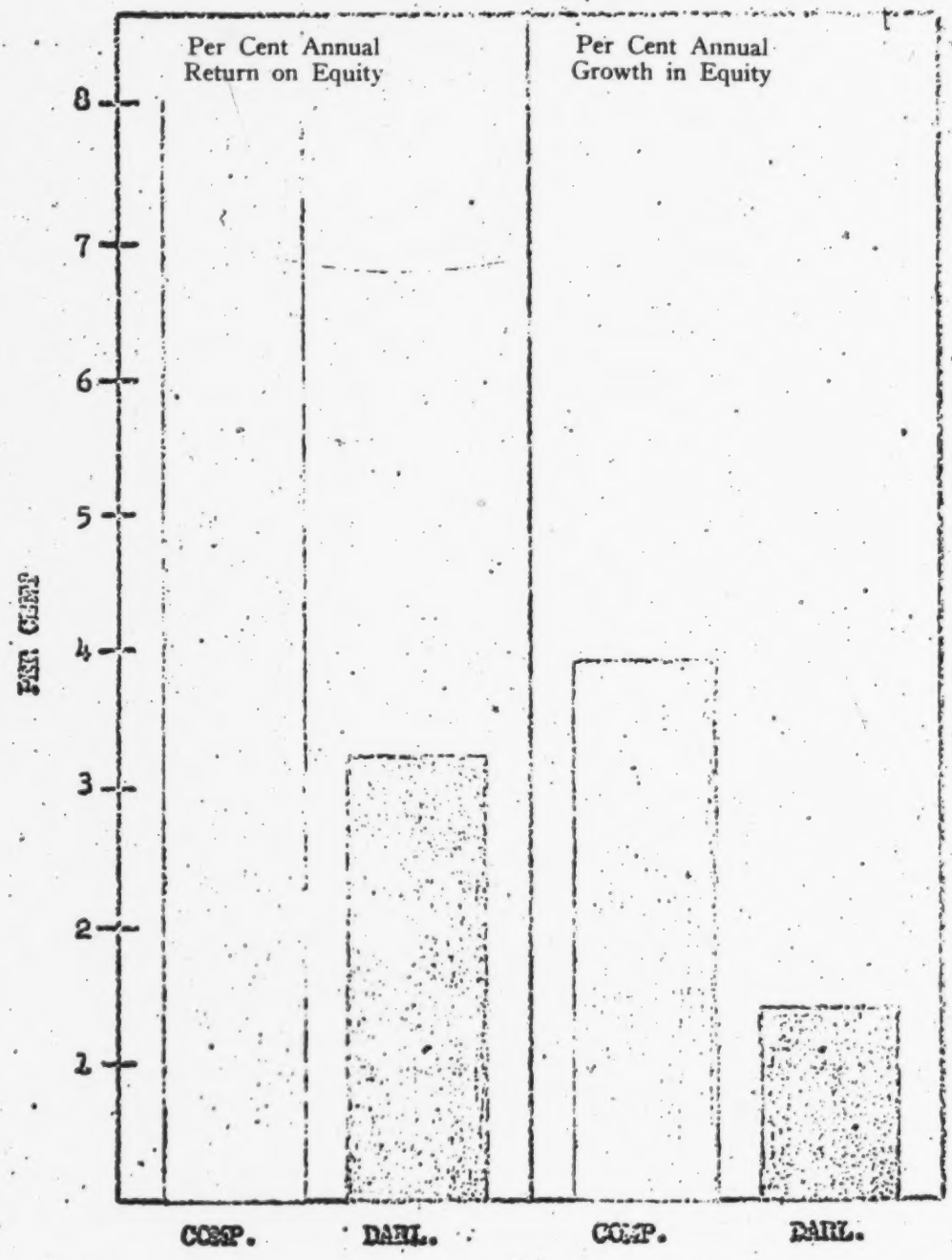
ARTICLE IV. Section 2. as follows:

Section 2. The Treasurer shall have charge of the books and of all financial and general business of the Company, under the supervision of the Directors, and he shall appoint such Agents, Superintendents and others as may be needed, and assign their respective duties and fix their compensations, each of whom shall be removable at his pleasure.

STOCKHOLDERS INVESTMENT AND EARNINGS EXPERIENCE—LAST FIVE YEARS

DARLINGTON VS. COMPETITORS

SOURCE: FORBES BUSINESS AND FINANCE—Jan. 1957
And Darlington Financial Statements.



Company Exhibit 8

Company Exhibit 10

PRINCIPAL CAPITAL ADDITIONS

1952-1956

DARLINGTON MANUFACTURING COMPANY

Item	1952	1953	1954	1955	1956	Total
OPENING AND PICKING IMPROVEMENTS						
1. New Feeder Hoppers	$ 1,500		$	$	$	$ 1,500
2. Additional Pickers			17,648			17,648
	$ 1,500		17,648			$ 19,148
CARDING IMPROVEMENTS						
1. Additional Cards	$	$	$ 10,200	$	$	$ 10,200
			10,200			10,200
DRAWING IMPROVEMENTS						
1. Replacement of Drawing	$	$	$ 6,860	$ 4,510	$	$ 11,370
			$ 6,860	$ 4,510		$ 11,370
ROVING IMPROVEMENTS						
1. New Roving Frames	$	$	$	$ 48,988	$	$ 48,988
				$ 48,988		$ 48,988

Company Exhibit 10

PRINCIPAL CAPITAL ADDITIONS

1952-1956

DARLINGTON MANUFACTURING COMPANY

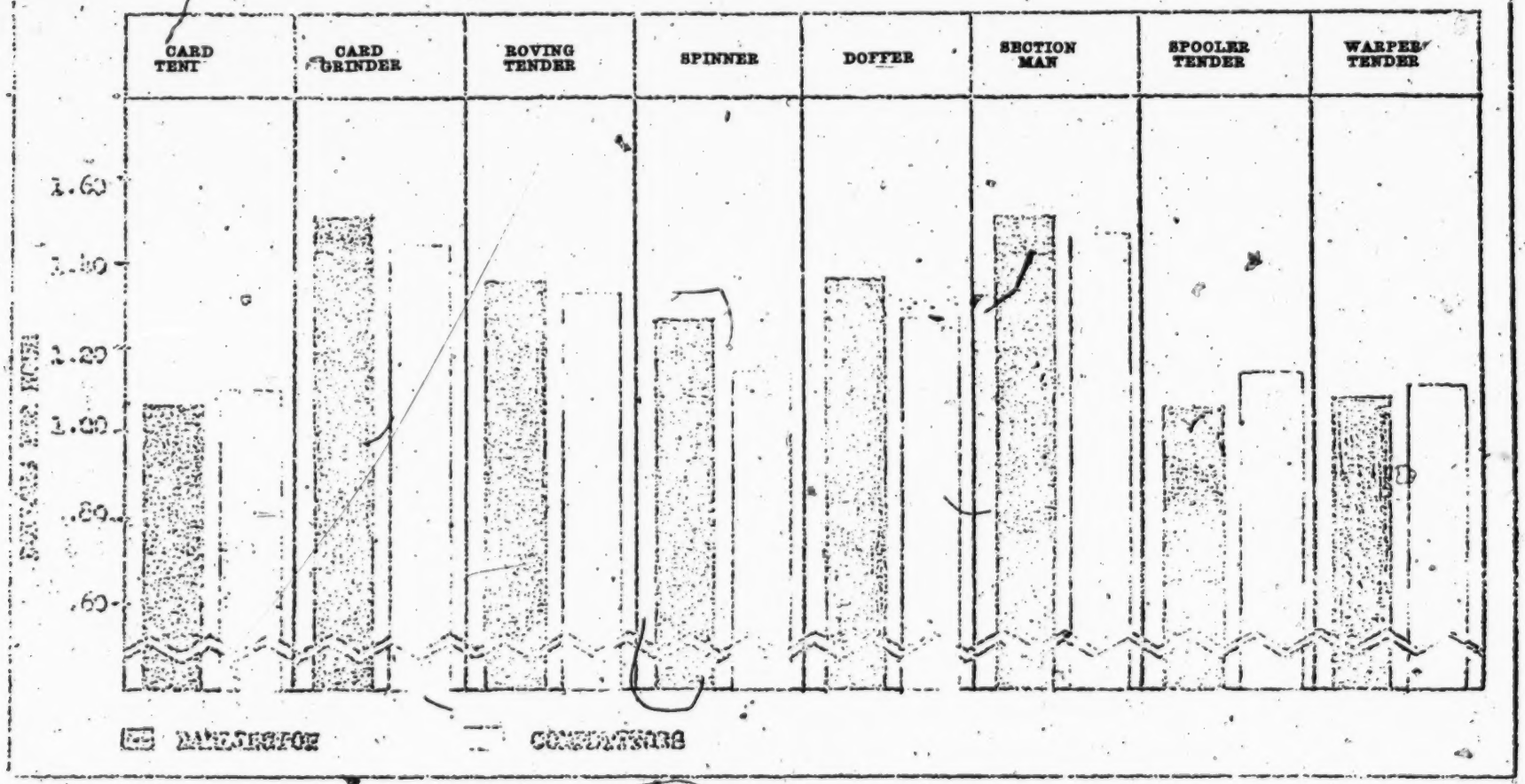
Item	1952	1953	1954	1955	1956	Total
SPINNING IMPROVEMENTS						
1. Additional Spinning Frames	$	$	$ 54,976	$	$ 9,065	$ 64,041
2. Pneumafil				39,403	65,531	104,934
3. Frame Cleaning Equipment					17,284	17,284
4. Improved Drafting System					70,339	70,339
5. Oilless Equipment					39,661	39,661
			$ 54,976	$ 39,403	$201,880	$296,259
PREPARATION IMPROVEMENTS						
1. Additional Spooling	$	$	$ 19,509	$ 4,509	$ 15,375	$ 39,393
2. Semi-Automatic Quill Stripper				3,168		3,168
3. Replacement of Size Boxes				12,743		12,743
4. Portable Tie-in Equipment				7,300		7,300
			$ 19,509	$ 27,720	$ 15,375	$ 62,604
WEAVING IMPROVEMENTS						
1. Loom Motors	$50,027	$	$	$ 34,973	$	$ 50,027 34,973
	$50,027			$ 34,973		$ 85,000

Company Exhibit 11A

IV-A

COMPARISON OF WAGE RATES
DARLINGTON VS. COMPETITORS

SOURCE: Bureau of Labor Statistics Report No. 82, November, 1954
And Darlington Payroll Records for 1954



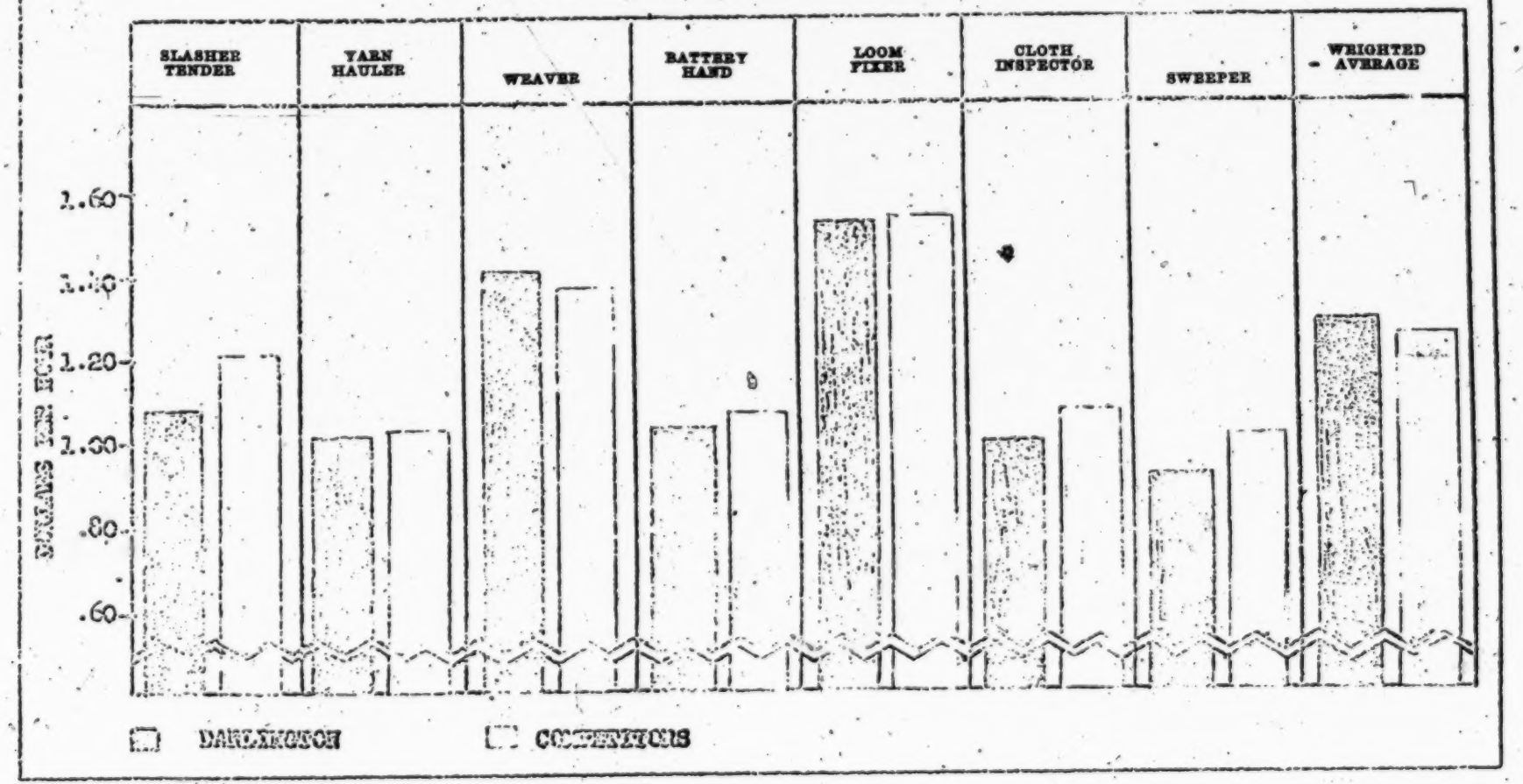
Company Exhibit 11B

IV-B.

COMPARISON OF WAGE RATES

DARLINGTON VS. COMPETITORS

SOURCE: Bureau of Labor Statistics Report No. 82, November, 1954 and Darlington Payroll Records for 1954.



PRINCIPAL CAPITAL ADDITIONS

1952-1956

DARLINGTON MANUFACTURING COMPANY

Item	1952	1953	1954	1955	1956	Total
OTHER IMPROVEMENTS						
1. Cloth Room	$ 3,130	$	$	$	$	$ 3,130
2. Materials Handling		3,935			4,870	8,805
3. Air Conditioning and Ventilation		2,777	8,124	1,149		12,050
	$ 3,130	$ 6,712	$ 8,124	$ 1,149	$ 4,870	$ 23,985
GRAND TOTAL	$54,657	$ 6,712	$117,317	$156,743	$222,125	$557,554
TOTAL FROM AUDITED STATEMENTS	$68,306	$25,279	$158,126	$174,570	$296,589	$722,870

Company Exhibit 10

Company Exhibit 13

	Construction			Type Fabric	1951 Yards	1951 Price Range	1952 Yards	1952 Price Range
1.	37½"	3.90	99x44	Poplin	5,635,000	18-1/2 - 27-1/2	7,072,000	18-5/8 - 20-1/2
2.	39"	4.55	80x60	Skip Dent	3,580,000	17 - 25		
3.	40"	3.25	105x84	Waffle Pique	3,359,000	26-3/4 - 35		
4.	39"	3.50	104x76	Pique	1,446,000	20 - 29-1/2	2,069,000	23 - 26
5.	39"	4.00	80x80	Print Cloth	800,000	19-1/2 - 19-3/4	1,614,000	19 - 23-1/2
6.	40"	3.70	80x80	Print Cloth			2,915,000	20-1/4 - 23-1/2
7.	39"	3.50	103x76	Pique			1,208,000	23 - 25-1/2
8.	38"	3.75	98x72	Waffle Pique			1,197,000	22-1/4 - 24-3/4
9.	38"	4.35	80x76	Print Cloth			700,000	18
10.	39"	3.60	100x76	Check			700,000	26-1/2
11.	37"	3.85	112x60	Broad-Cloth				
12.	39"	4.27	80x72	Print Cloth				
13.	40"	3.55	112x60	Broad-Cloth				
14.	40"	3.33	109x58	Broad-Cloth				
15.	39"	3.30	84x44	Oxford				
16.	39"	4.17	80x76	Print				

5.	39"	4.00	80x80	Print Cloth	800,000	19-1/2 - 19-3/4	1,614,000	19	- 23-1/2
6.	40"	3.70	80x80	Print Cloth			2,915,000	20-1/4	- 23-1/2
7.	39"	3.50	103x76	Pique			1,208,000	23	- 25-1/2
8.	38"	3.75	98x72	Waffle Pique			1,197,000	22-1/4	- 24-3/4
9.	38"	4.35	80x76	Print Cloth			700,000	18	
10.	39"	3.60	100x76	Check			700,000	26-1/2	
11.	37"	3.85	112x60	Broad-Cloth					
12.	39"	4.27	80x72	Print Cloth					
13.	40"	3.55	112x60	Broad-Cloth					
14.	40"	3.33	109x58	Broad-Cloth					
15.	39"	3.30	84x44	Oxford					
16.	39"	4.17	80x76	Print Cloth					
17.	40"	3.00	109x46	Poplin					
18.	38"	2.32	108x52	Poplin					
19.	41"	4.00	76x44	"Wicker-weave"					
20.	39"	4.20	80x48	Oxford					
21.	40"	4.16	80x72	Print Cloth					

Sales of Major Construction	14,820,000	17,475,000
% of Total Sales	91.5%	86.9%
Number of Other Styles	7	9
Total Sales-Other Styles	1,365,000	2,643,000
GRAND TOTAL SALES	16,185,000	20,118,000

Company Exhibit 13

1953		1954		1955		1956	
Yards	Price Range	Yards	Price Range	Yards	Price Range	Yards	Price Range
7,209,000	18-1/2 - 21	7,700,000	18-1/4 - 18-3/4	5,942,000	18-1/4 - 18-3/4	4,475,000	18-1/4 - 19
578,000	26 - 27						
2,596,000	23 - 25-1/4						
921,000	19-1/4 - 21-1/8						
2,657,000	20-1/2 - 22-1/4						
910,000	23-1/2 - 24-3/4						
2,679,000	22-3/4 - 25-1/2						
1,739,000	21 - 23-1/2	3,584,000	19-7/8 - 20-3/4				
		3,052,000	17-7/8 - 18-1/4	1,746,000	17-1/2 - 18-1/2	584,000	20-1/4 - 20-1/2
		1,317,000	21-5/8 - 23-1/4				
				16,263,000	22-1/2 - 24	7,594,000	22 - 23
				1,530,000	22-1/2 - 22-3/4		
				880,000	17-3/4	1,571,000	18-1/4

924,000 19-1/4 - 21-1/8

2,657,000 20-1/2 - 22-1/4

910,000 23-1/2 - 24-3/4

2,679,000 22-3/4 - 25-1/2

1,739,000 21 - 23-1/2

3,584,000 19-7/8 - 20-3/4

3,052,000 17-7/8 - 18-1/4

1,746,000 17-1/2 - 18-1/2

584,000 20-1/4 - 20-1/2

1,317,000 21-5/8 - 23-1/4

16,263,000 22-1/2 - 24

7,594,000 22 - 23

1,530,000 22-1/2 - 22-3/4

880,000 17-3/4

1,571,000 18-1/4

2,541,000 23-1/2 - 24-1/4

769,000 31

750,000 18-1/4

648,000 18-1/4 - 18-3/4

19,527,000
86.98%
14
2,921,000

22,448,000

26,361,000
87.9%
13
3,625,000

29,986,000

15,653,000
88.5%
9
2,025,000

17,678,000

19,209,000
89.2%
18
2,327,000

21,616,000

Union Exhibit 1

Officers of Darlington Manufacturing Company as of September 12th Through ~~October 17th,~~ 1956
Dec. 13th

Roger Milliken	President
H. A. Hatch	Vice President
J. M. Oeland	Secretary & Treasurer
C. W. Kable, Jr.	Assistant Treasurer

Directors of Darlington Manufacturing Company as of September 12th Through ~~October 17th,~~ 1956
Dec. 13th

F. G. Kingsley	Resigned September 12, 1956
H. A. Hatch	
J. H. Lyles	
Minot K. Milliken	
Roger Milliken	
W. S. Nicholson	
J. M. Oeland	
G. H. Milliken, Jr.	Elected September 12, 1956 in place of Mr. Kingsley

* * *

Colonel Claude L. Bowen discussed the Reserve Forces Act of 1955. It is briefly outlined below:

1. That an individual between the ages of 17 and 18½ may join the reserve and serve one night drill each week and a maximum of 17 days encampment each summer until he graduates from High School or reaches age 20. Then he must serve 6 months of active duty during which time he may not be sent overseas. After serving the 6 months the individual returns to his unit in the reserve, serving the one night a week drill and summer encampment until he has served 8 years from the original enlistment date. If it is impossible for him to meet the night

drills each week, then he must serve 30 days at summer camp.

2. An individual may elect the 6 year plan in the reserve. Under this plan he must serve 2 years on active duty, then 3 years in the ready reserve which consists of the weekly drill and the summer encampment, and one year in the stand-by reserve. He also has the right to go to summer camp for 30 days if he cannot attend the weekly drill.

Where there is a sufficient number of members in the reserve unit, the local Commander has the privilege of designating drill hours at times other than at night. This, of course, would help us due to shift work.

In the event that a member of a reserve unit does not fulfill his obligations satisfactorily he is subject to re-call on active duty for a period of 45 days a year. Colonel Bowen said that we will not feel the impact of this act until the summer of 1957.

Chairman Green appointed a nominating committee at the beginning of the meeting to nominate a Secretary for the group. This was necessary because L. L. Pugh of Laurens has transferred from Personnel to Production. The nominating committee nominated Bruce Stroupe of Judson and he was elected Secretary. The Officers are now:

J. W. Green—Excelsior, Union—Chairman
James R. Morrow—McCormick—Vice-Chairman
Bruce Stroupe—Judson—Secretary

The Fall meeting will be at Gaffney Manufacturing Company. The tentative date being the first part of October.

JRM

JRM:ks

Union Exhibit 2

STOCKHOLDERS WHO VOTED IN PERSON

Donald W. Barrett
Darlington, S. C.

W. A. Goodwin
Darlington, S. C

W. P. Law, Inc.
Darlington, S. C.

J. H. Lyles
Darlington, S. C.

Mr. Roger Milliken
% Income Collection Dept.,
The New York Trust Co.

Mr. G. H. Milliken, Jr.
% Income Collection Dept.,
The New York Trust Co.

Mr. W. S. Nicholson
Darlington, S. C.

Mr. J. M. Oeland
Darlington, S. C.

Mrs. Martha A. Oeland
Darlington, S. C.

Wm. H. B. Simpson
% Belk-Simpson Co.,
Greenville, S. C.

Henry N. Sloan
Box 5161
Columbia, S. C.

Marshall C. Stone, Jr.
Pacolet, S. C.

Union Exhibit 2

PERSONS VOTING BY PROXY

Name Stockholder	
T. Huggins Bowlen Greenville, S. C.	T. W. Buchanan, or Roger Milliken, or J. M. Oeland
Belks Department store Camden Camden, S. C.	J. P. Mozingo, III, or Roger Milliken, or J. M. Oeland
Belks Department Store Clinton Clinton, S. C.	LeRoy Want, or Roger Milliken, or J. M. Oeland
Mrs. Frank B. Bennett, III. Boston, Mass.	J. Randolph Taylor, or Roger Milliken
Lucy C. B. Simpson c/o W. H. B. Simpson, Trustee Greenville, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Martha Woods Twitty Darlington, S. C.	W. S. Nicholson, or Roger Milliken, or J. M. Oeland
S. C. National Bank, Trustee for Belk-Simpson Foundation 1944 Greenville, S. C.	J. H. Lyles, or Henry Simpson, or Roger Milliken, or J. M. Oeland
S. C. National Bank, Trustee for Belk-Simpson Foundation 1948 Greenville, S. C.	J. H. Lyles, or Henry Simpson, or Roger Milliken, or J. M. Oeland
Belk-Simpson of Darlington Darlington, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Katherine McArver Simpson c/o Henry Simpson Greenville, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Mary Elizabeth Simpson c/o W. H. B. Simpson, Trustee Greenville, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Miss Mary Elizabeth Simpson Greenville, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Luch C. B. Simpson c/o Henry Simpson Greenville, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Belk-Simpson Co. of Greenville Greenville, S. C.	J. H. Lyles, or Roger Milliken, or J. M. Oeland
Lucia C. Kern Darlington, S. C.	B. E. Coggeshall

Union Exhibit 2

STOCKHOLDERS WHO DID NOT RETURN THEIR PROXIES TO BE VOTED—NOR DID THEY APPEAR IN PERSON

L. B. Adams, Jr.
Greenwood, S. C.

L. B. Adams
Greenwood, S. C.

Mrs. Elizabeth F. Allen
Upper Montclair, N. J.

Belk-Simpson Co.,
Abbeville, S. C.

Belk-Simpson Co.,
Woodruff, S. C.

Belk-Simpson Co.,
Beaufort, S. C.

Webster Briggs
Scarsdale, N. Y.

Robert C. Brown
Pacolet, S. C.

W. J. Brown
Pacolet, S. C.

Charles Busch
25 Broad St., New York

John A. Byars
Chapel Hill, N. C.

Mr. Joseph L. & Mrs. Margaret S. Campbell
Spartanburg, S. C.

Miss Jeannie T. Cason
Charleston, S. C.

Miss Myrtle Clark
Glen Cove, N. Y.

Jesse Cleveland
Spartanburg, S. C.

Jesse M. Coburn
Whiteville, N. C.

Winston A. Cordes
Santa Monica, Calif.

Miss Anna W. Cutler
Boston, Mass.

Miss Elizabeth Jewell Dickens
Castalia, N. C.

James Dishington
Long Island City, N. Y.

W. A. Edwards
Atlanta, Ga.

Mrs. Eleanor Darlington Fisher
New York, N. Y.

Mrs. Emily Twitty Fitchett
Hartsville, S. C.

F. E. Fitchett
Hartsville, S. C.

Mary Green
Brooklyn, N. Y.

Katherine M. Glynn
Bellows Falls, Vt.

R. L. Hamilton
Landis, N. C.

Isaac E. Harris
Spartanburg, S. C.

Henderson Investment Co.
Spartanburg, S. C.

Gertrude Nash Hill
Katonah, N. Y.

Springfield Safe Deposit & Trust Co.
Springfield, Mass. acct. Mrs Gertrude L. G. Hill

Frederick H. Horlbeck
Charleston, S. C.

Union Exhibit 2

Mabel Keith Howard
Burlington, S. C.

Ruth E. Kable
Garden City, L. I., N. Y.

Wilson T. King
Charlotte, N. C.

Mrs. L. A. Langston
Darlington, S. C.

Sam P. Manning
Spartanburg, S. C.

Wm. S. Manning
Marietta, S. C.

Mrs. Mary Payne Mason
Greenville, S. C.

Budd C. Matthews
Newberry, S. C.

David Morris & Co.
New York, N. Y.

Mrs. Martha M. Monroe
Charlotte, N. C.

Ben C. McFadden
Morganton, N. C.

William D. McKee
Sylva, N. C.

Mrs. Francis W. Page
Greenville, S. C.

Richard Pigeon, Trustee u/w
Sarah G. Bassett
Boston, Mass.

R. J. Pitts
Clinton, S. C.

The Putnam Company of Fountain Inn
Fountain Inn, S. C.

Mrs. Helen S. Richardson
Dorchester, Mass.
Estate J. T. Rogers
c/o Mrs. T. E. Simpson
Darlington, S. C.

Julius [illegible] Schachner, Jr.
Charlotte, N. C.

Mrs. Florence A. Simons
Charleston, S. C.

Miss Mary Frances Smith
Tarrytown, N. Y.

H. Johnson Stevens
Thomasville, Ga.

Clarence Nelson Stone
West Newton, Mass.

William F. Tjarks
Ulster County, N. Y.

Mrs. Erma Williams
Ocean Grove, N. J.

Percy H. Williams
Waterville, Maine

The Robert I. Woodside Co.
Greenville, S. C.

Jane F. Zimmerman
Greenville, S. C.

Union Exhibit 2

STOCKHOLDERS AND THEIR PROXIES

Name of Stockholder	Roger Milliken	J. M. Oeland	Roger Milliken or J. M. Oeland
~~Anna W. Cutler, Boston~~, Mass			x
Estelle Armstrong, New York			x
James M. Bailey, Greenville, S. C.			x
Ethel G. Bell, Portland, Maine			x
C. A. Deltramini, W. Englewood, N. J.			x
Florence T. Blunt, Kennebunkport, Me.			x
~~T. Higgins Bowden,~~ Greenville, S. C.			x
Elizabeth M. Brandt, Fairfield, Me.			x
J. P. Brunson, Darlington, S. C.			x
Louise Burghardt, Cleveland Heights, O.			x
George P. Campbell, Greenville, S. C.			x
M. L. Cates Administrator for Est. L. Z. Cates			x
M. L. Cates Executor, Spartanburg, S. C. for Est. Florine C. Simpson, Spartanburg, S. C.			x
Central Trust Co., Greenwood, S. C.			x
Mary B. O'Donaghue & Eileen Chapman, Glen Rock, N. J.			x
Mrs. Marcon T. Chapman, Inman, S. C.			x
Alpha B. Childress, Greenville, S. C.			x
Jesse M. Coburn, Whiteville, N. C.			x
The Cotwill Manufacturing Corporation, Wilmington, Del.			x
S. J. Craig, Jr., Columbus, N. C.			x
Nelle W. Crowell, Washington, D. C.			x
Gertrude M. Cousens, Portland, Me.			x
Erwinn N. Darrin, Spartanburg, S. C.			x
Sue Burnette Davis, Atlanta, Ga.			x
A. Jefferson Dillard, Jr., New York, N. Y.			x

Union Exhibit 2

Name of Stockholder	Roger Milliken	J. M. Ocland	Roger Milliken or J. M. Ocland
Deering Milliken & Co., Inc., New York			x
Estate Land & Securities Co., Hartsville, S. C.			x
Mrs. Ruth Y. Evans, Anderson, S. C.			x
Henry B. Fernald, Jr., Montclair, N. J.			x
Farmers Loan & Trust Co., Greenwood, S. C.			x
G. H. Milliken, et al Trustee for Anne M. Franchetti, New York, N. Y.			x
Jos. C. Farrell, Drayton, S. C.			x
Harold O. Caddy, Greenville, S. C.			x
Hallie L. Catlin, Raeford, N. C.			x
Margaret P. Catlin, Raeford, N. C.			x
Sara C. Gibbs, Bridgton, Me.			x
Sue L. Gignilliat, Seneca, S. C.			x
~~W. A. Goodwin, Darlington,~~			x
Elizabeth Gray, Rochester, N. Y.			x
David J. Grossman, Phila., Pa.			x
Mrs. Carson Y. Hudson, Spartanburg, S. C.			x
John C. Galbraith, Spartanburg, S. C.		x	
Mary O. Galbraith, Spartanburg, S. C.		x	
W. W. Anderson, Darlington, S. C.			x
Marie T. Hagenbuch, Urbana, Ohio		x	
Waddell M. Hagin, Albany, Ga.	x		
J. Calhoun Harris, N. Y. C.			x
Harold A. Hatch, N. Y. C.			x
Helen D. Hodges, Charleston, S. C.			x
Annis L. Holbrook, Maplewood, N. J.			x
Jane Darlington Irwin, New York			x
Mrs. Alma P. Julia, Lewiston, Me.			x
King & Co., New York			x
Ora Rimes Kingsley, Trustee under Indenture etc., New York, N. Y.			x

Union Exhibit 2

Name of Stockholder	Roger Milliken	J. M. Oeland	Roger Milliken or J. M. Oeland
Ora Rimes Kingsley under Deed of Trust, New York, N. Y.			x
Francis G. Kingsley, New York			x
Herman S. Langford, Newberry, S. C.			x
Maria-Vittoria Lindhorst-Homan, New York			x
Agnes Jane Livermore, Somerset, Mass.			x
Jess I. Lang, Greenville, S. C.		x	
Nell H. Metzger, Darlington, S. C.	x		
Mannie Lee E. Mabry, Ft. Myers, Fla.			x
Andrew A. Manning, Spartanburg, S. C.			x
Wm. S. Manning, Marietta, S. C.			x
Wm. H. Mauldin, Charlotte, N. C.			x
Mrs. Bennie S. Meeks, Pacolet, S. C.			x
Catherine S. Mellor, Haverford, Pa.			x
G. H. Milliken, et al Jr. Trustee for Roger Milliken, New York, N. Y.			x
G. H. Milliken, et al Jr. Trust for G. H. Milliken, Jr., New York			x
G. H. Milliken et al Trust for Anne Franchetti, New York			x
G. H. Milliken, et al Trust for Joan Stroud u/w G. H. Milliken, New York			x
G. H. Milliken, et al Trust for Maria G. Vitelli, New York			x
G. H. Milliken, et al Trust for Piero Senni, New York			x
G. H. Milliken, et al Trust for Leone Senni, New York			x
G. H. Milliken, et al Trust for Filippo Senni, New York			x
G. H. Milliken, et al Trust for Joan Stroud u/d 12/9/57, New York			x
~~Roger Milliken, Spartanburg, S. C.~~			x
~~Gorrish H. Milliken, Jr., New York, N. Y.~~			x

Union Exhibit 2

Name of Stockholder	Roger Milliken	J. M. Oeland	Roger Milliken or J. M. Oeland
Minot K. Milliken, New York, N. Y.			x
Elizabeth H. Milliken, S. Portland, Me.			x
Eula Moore, New York, N. Y.			x
Virginia M. Moses, West Point, NY			x
Harold C. McCarley, Greenville, S. C.			x
Jane MacLennan, SCOTLAND			x
Arthur C. McCall, Greenville, S. C.			x
Margaret T. MacDuffie, Fairfield, Me.			x
Arthur S. Nesmith, Reading, Mass.			x
Wm. C. Neville, Newberry, S. C.			x
~~J. M. Oeland,~~ Darlington			x
~~Martha A. Oeland~~, Darlington			x
Joseph Weare Peason & Adelene Pearson, Rolling Hills, Calif.			x
Anne Gardiner Pier, Williamstown, Mass.			x
Roy Pier, Williamstown, Mass.			x
William Putman, care of Jane F. Putman, Laurens, S. C.			x
William P. Putman Jr., Laurens, S. C.			x
Mrs. Sophie E. Reames, Greenville, S. C.			x
Earle M. Rice, Anderson, S. C.			x
Joseph E. Rice, Arlington, Va.			x
Leon L. Rice, Jr., Winston-Salem, N. C.			x
Leon Rice, Anderson, S. C.			x
Sara W. Rice, Anderson, S. C.			x
S. C. National Bank, Trustee Peace Fund, Greenville, S. C.			x
Gian ?Andrea Sennim, New York			x
Florence Isabel Shipway, Princeton, N. J.			x
Louise Gibbs Sherey, Bridgton, Me.			x
Geo. Edward Simmons, Drayton, S. C.			x

Union Exhibit 2

Name of Stockholder	Roger Millikan	J. M. Ocland	Roger Millikan or J. M. Ocland
Harry C. Smith, Maplewood, N. J.			x
Donald B. Smith, Clinton, S. C.			x
Ansel M. Smith, Greenville, S. C.			x
William Allen Smith, Syosset, N. Y.			x
Sterling L. Smith, Greenville, S. C.			x
Mrs. Emma Sompayrac Society Hill, S. C.			x
Marshall C. Stone, Pacolet, S. C.			x
Maxie B. Stone, Spartanburg, S. C.			x
Marshall C. Stone, Jr., Pacolet, S. C.			x
Joan M. Stroud, New York			x
W. B. Dixon Stroud, New York			x
Edna M. Strybing, Patchogue, N. Y.			x
Claribel F. Sulzberger, Mantoloking, N. J.			x
Howell NorSwissbyharbor, Maine	x		
Wallace B. Taylor, Spartanburg, S. C.			x
Eleanor D. F. Trevor, New York			x
T. D. Truluck, Union, S. C.			x
Alice W. Wagener, Charleston, S. C.			x
Robert Winthrop Co., New York			x
James W. Waters, Spartanburg, S. C.	x		
Coleman B. Waller, Spartanburg, S. C.			x
Sam W. Davis, Adm Est Daisy Walkup Houston, Texas	x		
Elsie Ward, New York			x
Randolph G. Watson, Iva, S. C.			x
Mrs. J. W. Watson, Greenwood, S. C.			x
Emmie A. Willis, Spartanburg, S. C.	x		
Rachel T. Wilson, Greenville, S. C.			x
Wm. H. Woolley, New York			x
J. Stanley Woolley, Middletown, N. Y.			x

PHOTO COPY: From SPARTANBURG, SOUTH CAROLINA, SPARTANBURG HERALD, JANUARY 10, 1956

1301

Union Exhibit No. 4

Milliken Says

Unions Retarding Growth Of Industry in County

Roger Milliken, president of Deering-Milliken Co., Thursday hit at unionism as a primary reason for Spartanburg County's failure to get more industry.

Speaking before the Kiwanis Club, the textile leader declared that future industrial development of the county will hinge on the reception this area gives the Kohler Co. and the Bigelow-Sanford carpet mill.

"IF WE CAN look with pride" on the labor situation these industries find here the future is bright. If the labor situation is not good for them "I don't know about the future," Mr. Milliken said.

He warned that a union leader at the Kohler plant in Wisconsin has commented that "the union will be on hand to greet Kohler when and if Kohler builds a new plant in Spartanburg County." (Kohler is expected to begin construction soon on a new plant near Camp Croft.)

"The answer to the future is in the hands of Spartanburg citizens," Mr. Milliken continued.

"The question is how are we going to greet these greeters?"

Mr. Milliken told Kiwanians that two questions must be answered in judging the future industrial growth in this county: (1) Will the textile industry continue to grow?; and (2) Will Spartanburg get its share of diversification?

The primary answer to both of these lies in the "situation in regards to organized labor;" and "what has been and is the attitude of our legislators on legislation affecting business." Greenville and Anderson at present both come

[illegible] Camp Croft. However, the [illegible] went to Anderson instead when officials decided the labor situation was too risky here, he said.

THE TEXTILE official quoted former Gov. James F. Byrnes as saying that the W. R. Grace Co. decided to put its Cryovac plant at Simpsonville because the company felt that the political climate was good, and that there would be cooperation between the workers and management, rather than conflict.

Mr. Milliken declared that "as a director of three, I know that these reasons are correct. I tried very hard to get Cryovac for Spartanburg County . . . .

"The reason Spartanburg didn't get it was that when Cryovac found there are five plants in the county with organized unions they decided they could not risk it."

He continued that union "feather bedding practices" had led to Deering-Milliken decisions to liquidate three textile plants—two in Maine and one in Alabama. The unions would not allow the plants to get maximum benefit from new machinery, he charged.

"To show that it is not geographical, last week we bought a plant in Maine. It is not organized, and we think we can compete favorably . . ."

MR. MILLIKEN said that Saco-Lowell Co. abandoned plans for a sizeable plant at Hendersonville when it found that many other firms had been organized. Saco-[illegible]

Unions Retarding Growth Of Industry in County

Roger Milliken, president of Deering-Milliken Co., Thursday hit at unionism as a primary reason for Spartanburg County's failure to get more industry.

Speaking before the Kiwanis Club, the textile leader declared that future industrial development of the county will hinge on the reception this area gives the Kohler Co. and the Bigelow-Sanford carpet mill.

"IF WE CAN look with pride" on the labor situation these industries find here the future is bright. If the labor situation is not good for them "I don't know about the future," Mr. Milliken said.

He warned that a union leader at the Kohler plant in Wisconsin has commented that "the union will be on hand to greet Kohler when and if Kohler builds a new plant in Spartanburg County." (Kohler is expected to begin construction soon on a new plant near Camp Croft.)

"The answer to the future is in the hands of Spartanburg citizens," Mr. Milliken continued.

"The question is how are we going to greet these greeters?"

Mr. Milliken told Kiwanians that two questions must be answered in judging the future industrial growth in this county: (1) Will the textile industry continue to grow?; and (2) Will Spartanburg get its share of diversification?

The primary answer to both of these lies in the "situation in regards to organized labor;" and "what has been and is the attitude of our legislators on legislation affecting business." Greenville and Anderson at present both come out better than Spartanburg on these points, he added.

Mr. Milliken told how Owens-Corning Co. a few years ago had decided to put a large plant at Camp Croft. However, the firm went to Alabama instead when officials decided the labor situation was too risky here, he said.

THE TEXTILE official quoted former Gov. James F. Byrnes as saying that the W. R. Grace Co. decided to put its Cryovac plant at Simpsonville because the company felt that the political climate was good, and that there would be cooperation between the workers and management, rather than conflict.

Mr. Milliken declared that "as a director of three, I know that these reasons are correct. I tried very hard to get Cryovac for Spartanburg County . . . .

"The reason Spartanburg didn't get it was that when Cryovac found there are five plants in the county with organized unions they decided they could not risk it."

He continued that union "feather bedding practices" had led to Deering-Milliken decisions to liquidate three textile plants—two in Maine and one in Alabama. The unions would not allow the plants to get maximum benefit from new machinery, he charged.

"To show that it is not geographical, last week we bought a plant in Maine. It is not organized, and we think we can compete favorably . . ."

MR. MILLIKEN said that Saco-Lowell Co. abandoned plans for a sizeable plant at Hendersonville when it found that many other firms had been organized. Saco-Lowell then moved to Easley, where there are plans for extensive expansion, he added.

The Deering-Milliken president told Kiwanians that Walter Reuther and his brother once went to Russia to study. Reuther wrote to a friend in America, addressing him as "Comrade," and urging him to "keep up the fight for Soviet America," Mr. Milliken said.

"Let's fight together to keep this foreign philosophy out of our town.

"Let's work together to the end that Spartanburg and South Carolina can grow together and demonstrate to the rest of the country the advantages of teamwork between workers and management. That is our secret weapon."

Mr. Milliken was introduced by W. Priestly Conyers. Officials of several textile mills in the county were guests of the club.

Union Exhibit 5

Appendix II

FOR RELEASE AT 4:00 P.M., EDT, SEPTEMBER 27, 1956

James C. Hagerty, Press Secretary to the President

THE WHITE HOUSE

TEXT OF THE ADDRESS BY THE HONORABLE SHERMAN ADAMS, THE ASSISTANT TO THE PRESIDENT, AT THE ANNUAL MEETING OF THE NORTHERN TEXTILE ASSOCIATION AT PORTSMOUTH, NEW HAMPSHIRE, AT 4:00 P.M., EDT, THURSDAY, SEPTEMBER 27, 1956.

Yesterday I came across the medal which the National Association of Cotton Manufacturers gave me in 1954. The inscription mentions something about my participation in "meeting challenges to the welfare of New England." When I received your invitation to join in this meeting, I thought it was about time to commence to do something about living up to this billing.

While I never was employed in your industry itself, I can truthfully say that I was literally raised in the business because that was my family's livelihood while I was a dependent charge. It has, therefore, seemed to me not inappropriate to come here to make some brief remarks on a subject of great concern to this basic New England industry.

Now, let's get to business. Every man in this room knows that it is the policy of the Eisenhower Administration to promote the continued growth of trade between

nations. This is in our self-interest. Every farmer knows this. Many great manufacturers and millions of wage earners do not need to be reminded of the importance of our foreign trade. It is elementary that the benefits of international commerce cannot flow in just one direction. The whole pattern of the exchange of goods between nations should be beneficial to every participating country. Thus, a fundamental appreciation of the problems of every nation is the result. The effect of such a relationship has a tremendous impact on promoting a real peace in the world.

For us, the increasing flow of foreign commerce has brought with it some problems. One of these is the concentrated low-price competition from abroad. In your particular industry this has threatened to weaken one of our basic livelihoods. This threat is no mere phantom. It is real, and this Administration recognizes it.

There are those who think that we believe this industry is expendable. This is malicious nonsense. The President has made it clear again and again that our foreign trade policy must not wreck our own enterprises or destroy the jobs of American workers. We do not intend that it shall.

The truth is that we can deal with our difficulty successfully without altering fundamentally our foreign trade policy. I want to speak specifically as to the means of working out with your industry a satisfactory solution. I believe that we have achieved one.

First, let's look at some of the factors that make up our policy.

The President has repeatedly emphasized his conviction that, as a Nation, American self-interest has much to gain from the expansion of foreign commerce. Last year the value of our exports through strictly commercial channels

exceeded $14 billion. This year the figure will probably exceed $16 billion. Roughly three-quarters of these exports consisted of manufactured or semi-manufactured goods. You can understand how vital to the livelihood of millions of Americans and to the life of many American industries this trade has become. For instance, the product of 30 million acres of farm land is sold overseas.

On the other hand, our imports, that is, the products we purchased from others, were about $3 billion below exports. The difference had to be paid for largely by American tax dollars spent overseas in mutual security, and other programs, including loans, abroad. To protect and expand American export markets, we simply have to find the means to promote mutually beneficial two-way trade. These are elementary economic facts.

No basic transaction is sound which is not beneficial to all the parties to it. To any competent businessman it is evident, I am sure, that orderly development of world trade has to be the cornerstone of any successful foreign trade policy. It is one thing to create a market for goods, and quite another to exploit a market already established. Now these thoughts are particularly relevant when we turn to the problems of competition from nations whose wage levels are lower than our own.

It is true, as we all know, that the textile industry has recently been faced with a resurgence of competition from low-priced imported goods. While the volume has been relatively small in proportion to our total domestic output, certain concentrations of these imports in increasing volume have created special problems for particular producers, and have had an unfavorable impact on the confidence of the entire industry, particularly as it looks ahead to the future.

Union Exhibit 5

Most of us hold to the view that legitimate competition is a healthy stimulus to progress. The ability of American business brains to challenge competitive obstacles with initiative and ability has fostered the growth of the giant that American industry has today become. With us it is traditional to welcome fair and equitable competition. All we have asked is that the rules are the same for all the competitors. When they differ, then it is proper that Government take a hand in maintaining the equity. This responsibility has long ago been recognized, and this Administration has adopted procedures for that purpose.

The textile industry is not itself in a wholly unique position in facing foreign competition. This industry, however, does face serious problems that are wholly unrelated to imports. They are well known to all of you, and there is no need for me to dwell upon them here. Yet these have increased the present aggravation. In consideration of all factors involved, it has seemed urgent to undertake to find some extraordinary means to provide a ready remedy for the misfortunes of the textile industry that stem from the import problem.

This Administration, therefore, undertook more than six months ago a continuing and intensive study of this problem. A series of constructive discussions were held with representatives of the Japanese Government.

Early this year, you will recall that the Japanese imposed some voluntary limitations on certain cotton textile exports to the United States. You remember that last May an additional extension of this curtailment program was announced. Since May, responsive to our discussions with the Japanese, a much more comprehensive plan has evolved, and has today been communicated by the Japanese Government to our Secretary of State.

Union Exhibit 5

An examination of this communication will disclose that the Japanese Government has offered definite and constructive assurances to our Government. There are certain (and somewhat numerous) details to be worked out and agreed to before the effect of the new plan will be fully realized. I shall now read the four principal points contained in the Japanese note.

The purpose of the arrangement is to bring about orderly marketing of Japanese cotton textiles in the United States by avoiding excessive and injurious concentration on any particular item during any specific period. It is their intention to achieve a broader diversification of cotton textile exports while maintaining voluntary control of the volume both in total quantity and within specific categories.

The principal features to be incorporated in this program for 1957, and in subsequent years are:

(1) The ceiling of exports of cotton cloth, cotton apparel and other cotton manufactures will not exceed the level of trade during 1955.

(2) Within this ceiling, subsidiary ceilings will be established, in addition to those already established, to such items which may tend to be exported in excessive concentration, where such exports may cause undue hardship to any particular segment of the textile industry of the United States. The Japanese have represented to us that velveteens and ginghams, among other items, will be the subject of special study for further reduction.

(3) Efforts will be made to distribute exports equally by quarters so far as practicable, modified only as may be necessary to meet seasonal demands for special items.

(4) This arrangement, which will become effective January 1, 1957, will be effective for an indefinite number of years, but may be reviewed annually.

It is obvious that the Japanese have undertaken voluntarily and in good faith a forthright and broadly inclusive program, which will, of course, be of stabilizing and long range benefit to the textile industry of both our countries. With your cooperation, patience, and understanding, this progam will provide a basis for dispelling misgivings about the future as it is affected by present uncertainties of the pattern of textile imports from Japan.

I should like to suggest that in broader aspect, this arrangement is expressive of policies already stated, and prophetic of Federal action most certainly to ensue in similar exigencies. Under these circumstances, the reluctance of manufacturers to expand and modernize, and the reticence of investment houses to arrange financial facilities should be dispelled. To repeat, we shall not permit the Government to stand idly by while industries wither and job opportunities are destroyed.

This Administration knows only too well that the welfare of American business enterprise and the security of American workmen's jobs are based on confidence. The present prosperity and generally satisfactory conditions of American business are soundly founded on that confidence, which, if destroyed, brings evil days to our country. This we do not intend shall happen.

PART II

Exhibits at 1958 Hearings

General Counsel's Exhibit A-12

UNITED STATES OF AMERICA
BEFORE THE
THE NATIONAL LABOR RELATIONS BOARD
ELEVENTH REGION

In the Matter of DARLINGTON MANUFACTURING COMPANY ROGER MILLIKEN DEERING, MILLIKEN & CO., INC. and TEXTILE WORKERS UNION OF AMERICA, AFL-CIO	Case No. 11-CA-1071

STIPULATION

IT IS HEREBY STIPULATED by the attorneys for the respective parties hereto that, in lieu of offering evidence as to any of the matters herein referred to, and solely for the purposes of this proceeding, the facts stated below are to be deemed true as of October 1, 1956:

1. Members of the Milliken family (meaning the lineal descendants of Seth Milliken) own a majority of the voting shares of Deering, Milliken & Co., Inc.

General Counsel's Exhibit A-12

2. Members of the Milliken family own a majority of the voting shares of The Cotwool Manufacturing Corporation, by direct ownership of such shares and by ownership of a majority of the voting shares of corporations owning shares in The Cotwool Manufacturing Corporation.

3. The Cotwool Manufacturing Corporation is engaged in the manufacture of textiles through its Judson, Cowan and Farnsworth divisions, and owns all or substantially all of the voting shares of the following textile mill corporations:

(a) Abbeville Mills Corporation;

(b) Excelsior Mills Inc.;

(c) Gayley Mill Corporation;

(d) Hatch Mill Corporation;

(e) Machias Mill Inc.;

(f) Milliken Automotive Fabrics, Inc.

4. Members of the Milliken family, by direct ownership of shares and by ownership of a majority of voting shares in the corporations named in paragraphs 1 and 2 above, own a majority of the voting shares of the following corporations:

(a) Monarch Mills, in which approximately 44% of the voting shares are owned by "outside" stockholders (meaning persons not connected with the Milliken family or with any corporation named in this stipulation);

(b) The Hartsville Cotton Mill, in which approximately 45% of the voting shares are similarly owned by "outside" stockholders;

(c) Pacolet Manufacturing Company;

(d) Gaffney Manufacturing Company;

(e) Drayton Mills;

(f) Laurens Mills.

The percentage of stock held by "outside" stockholders in the corporations named in (c), (d), (e) and (f) above ranges from 12% to 28%.

Shares of stock in each of the corporations named in this paragraph are traded over the counter and are regularly quoted by securities dealers in Charlotte, North Carolina, Greenville, South Carolina, and Spartanburg, North Carolina, to their customers throughout the United States.

5. In 1956, and until approximately November 15, 1956, the shares of Darlington Manufacturing Company were owned by the following stockholders or classes of stockholders:

(a) Deering, Milliken & Co., Inc.	41.4%
(b) The Cotwool Manufacturing Corporation	18.3%
(c) Roger Milliken and members of his immediate family	6.4%
(d) Directors and employees of Deering, Milliken & Co., Inc.	2.9%
(e) "Outside" stockholders (see paragraph 4(a) above)	31.0%
	100.0%

6. For the purposes of this stipulation, in the case of shares of stock registered in the name of a trustee, or held

by a bank or brokerage house in its own name or the name of a nominee, the beneficial owner or owners of the shares have been deemed the owner.

Dated: Charlotte, North Carolina
October 20th, 1958.

JOHN M.
For the General Counsel

BENJAMIN WYLE

by NATHANIEL H. JANES
Attorney for Charging Party

PRICE & POAG

by JOHN R. ????
Attorneys for Respondent
Darlington Manufacturing
Company

TOWNLEY, UPDIKE, CARTER
& RODGERS

by ?????.... N. UPDIKE
Attorneys for Respondents
Deering, Milliken & Co., Inc.
and Roger Milliken

General Counsel Exhibit B-2

January 12, 1955

Mr. Minot K. Milliken
Deering Milliken & Company
New York, N. Y.

Dear Mr. Milliken:

As requested in your telephone conversation we are enclosing herewith the accruals we are making each period and total for the year on our period statements. You will note that we have broken this down in two groups, one, the recurring estimated accruals, and the other those based on wages, etc paid each period. We trust that you will find these in order.

Very truly yours,

J. M. OELAND
Treasurer

Enc.
jmo-m

General Counsel Exhibit B-3

September 30, 1955

Mr. Minot K. Milliken
Deering Milliken & Company
New York, N. Y.

Dear Minot:

We have discussed today your request for our estimated profits before taxes for fiscal year ending November 30, 1955. We plan to teletype you Monday that we estimate this at $300,000.

We are enclosing herein a list of extraordinary expenses that we anticipate before November 30. In this list there are two items that possibly will be capitalized by revenue agents at a later date. On the other hand, both items are replacements, and since we here at Darlington have been expensing all replacement items I feel it is well for us to try it again. The items in question are the umbrella creels for all of our filling spinning plus the Whitin superdraft being placed on part of our filling spinning.

We have a cushion in our cloth and in-process inventory of about $35,000 plus the profit in hedges that we have not shown amounting to $7500 to offset part of the attached list.

I am hoping that our accruals for the service departments will take care of their charges. We have tried to be careful

in accruing some additional to last year's charges and hope that they will be sufficient to cover.

Very truly yours,

J. M. Oeland
Treasurer

Enc.
jmo-m
cc: Mr. Roger Milliken

General Counsel Exhibit B-5

September 19, 1956

Mr. Minot K. Milliken
240 Church Street
New York, N. Y.

Dear Mr. Milliken:

This is in reply to your request that we furnish you our best estimate of the pre-tax financial result for Darlington for year ending December 2, 1956. We note that you appreciate the fact that there are problems in arriving at this estimate, and many eventualities might throw us off.

Our best judgment at the moment is that we will lose around $10,000 for the year in question. This is arrived at by the following figures:

Net income before income taxes through 9/2/56		$146,158
Less adjustments for outstanding items as follows:		
80 Frames of Duo-Roth	$ 70,339	
Dixon front rolls & saddles	30,099	
Accounts payable to date	19,956	
Settlement contract Fiske-Carter Co.	35,000	155,394
		($ 9,236)

We have discussed with Mr. Kable the question of expensing items we had contemplated expensing and it was his opinion we should proceed as planned, and, therefore, the big items of Duo-Roth and Dixon equipment. We had discussed with Mr. Truluck our position on loss in hedges and

cotton purchases. It is his opinion that the loss in hedges as of today amounting to about $50,000 would be offset in profit on cotton purchases. We have omitted any anticipated profits on sales during the period we will be running. It is our opinion that these profits will be offset with a loss as we tail out our operations. We do have some supplies that we are attempting to return on which we expect to get credit that are not material. We have ascertained from our Purchasing Department that we will be unable to return the large items like the Duo-Roth and Dixon saddles.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit B-6

March 12, 1956

Messrs: Marshall Stone, W. A. I. Sibley, J. J. Norton, Jr., J. M. Oeland, J. T. Shotwell

I would like to arrange a meeting with you on March 23rd. at 2.30 pm. at Monarch Mills if it is convenient with all of you.

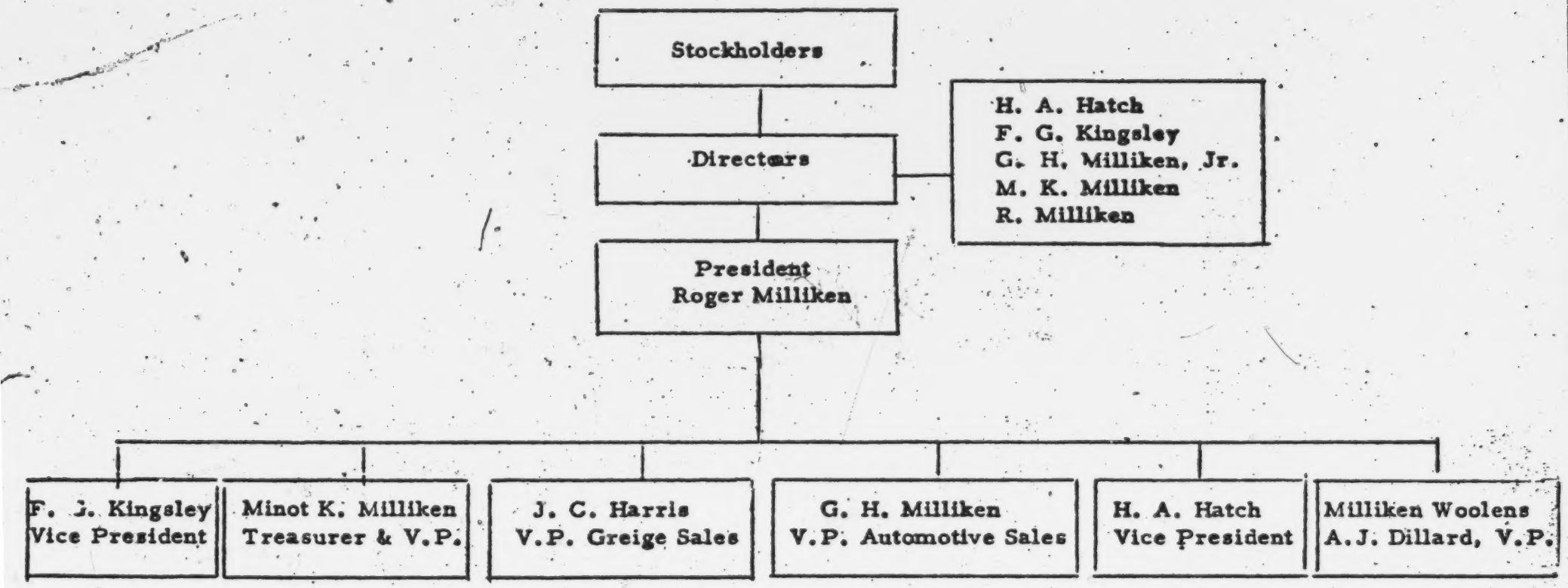
This meeting is in relation to my taking over Quality Control for all the cotton mills so that we may have an understanding with each other from the beginning in order that I may render better service to all of you.

If this date is not convenient please notify me before March 16th. as I am leaving to visit the fine goods mills for the week of March 19th.

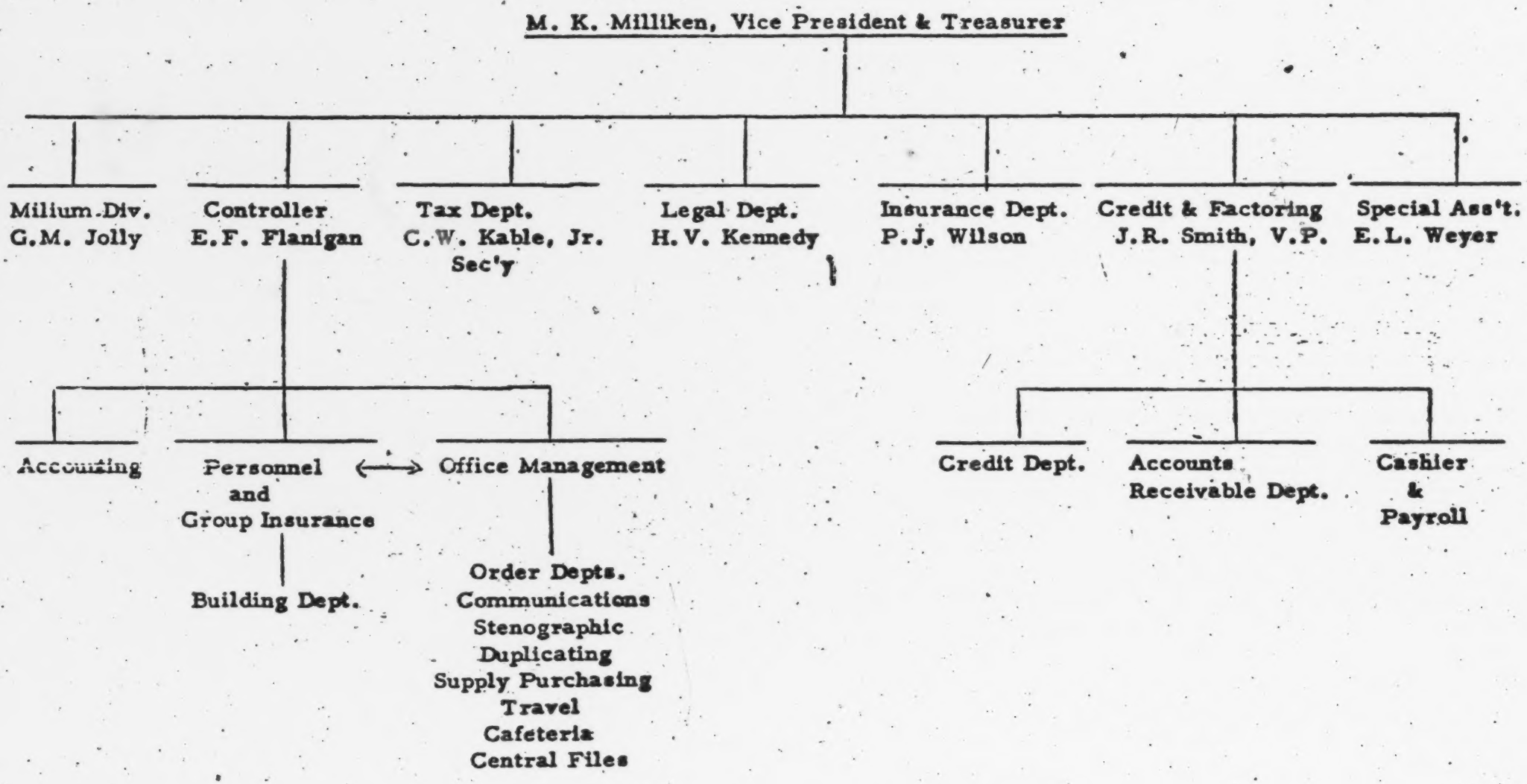
JTS:mcl
cc to Mr. A. J. May
Mr. A. A. Wright
Mr. R. Milliken

General Counsel Exhibit B-9A

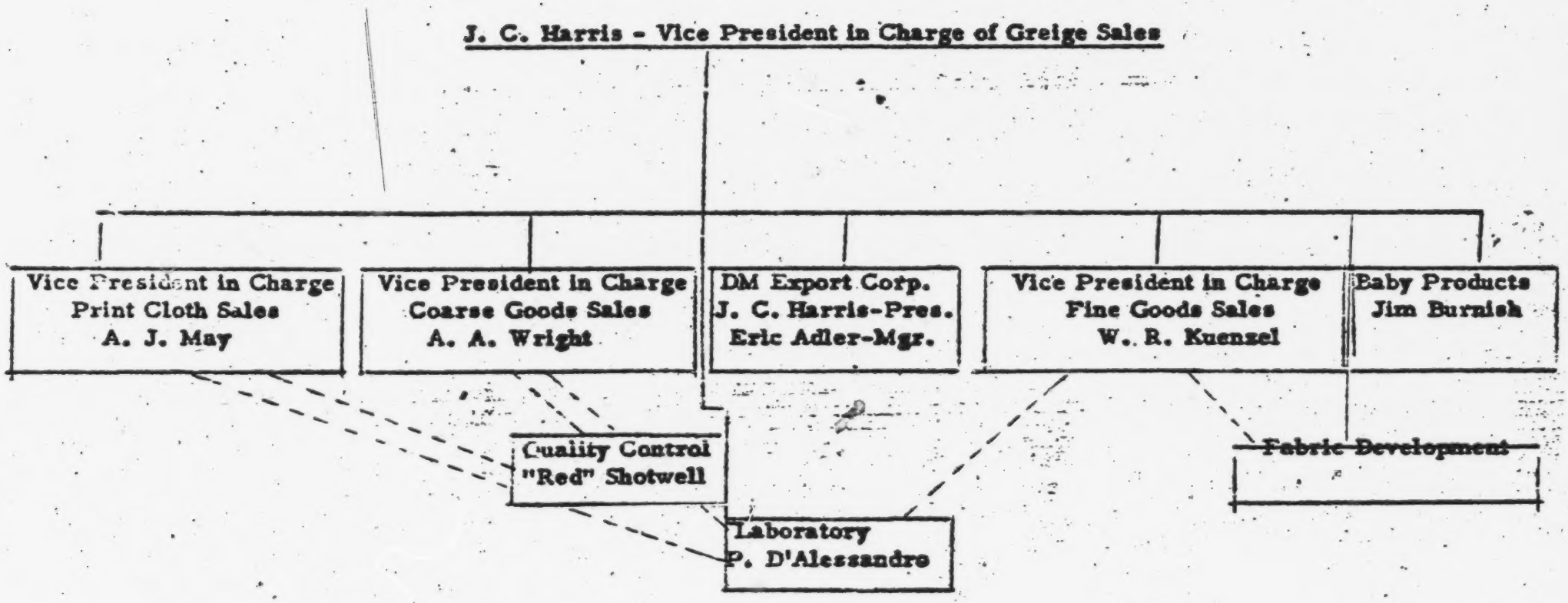
Deering, Milliken & Co., Inc.



General Counsel Exhibit B-9B



General Counsel Exhibit B-9C



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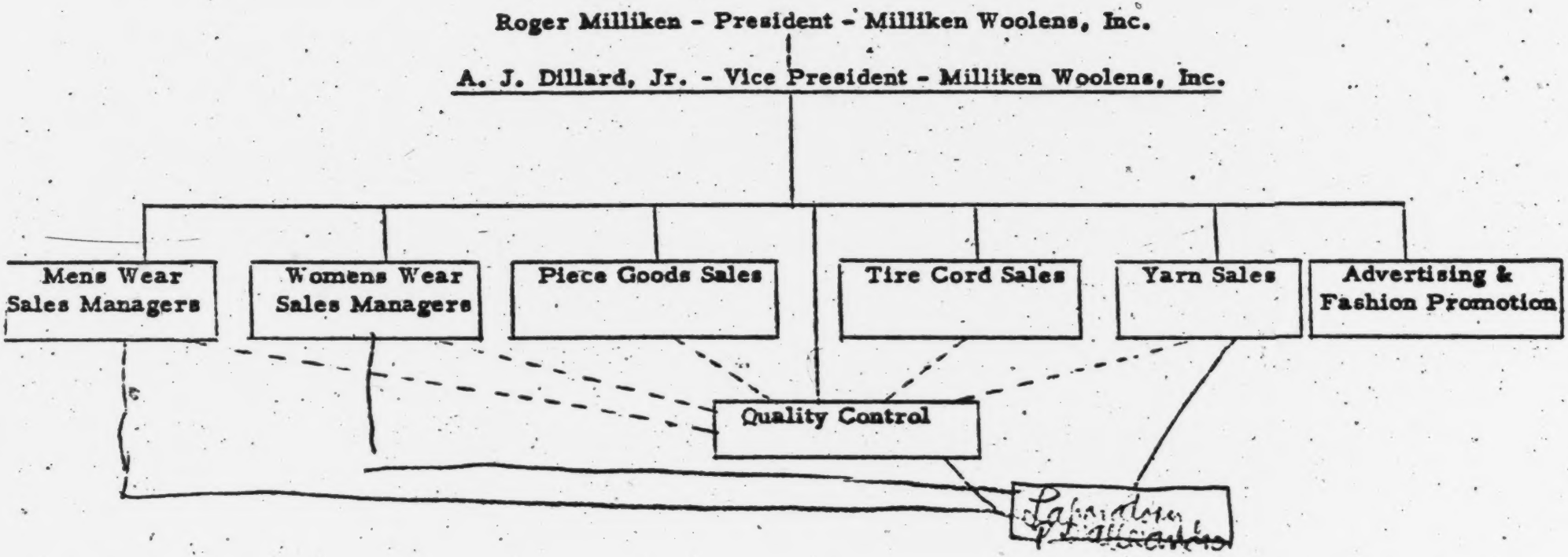
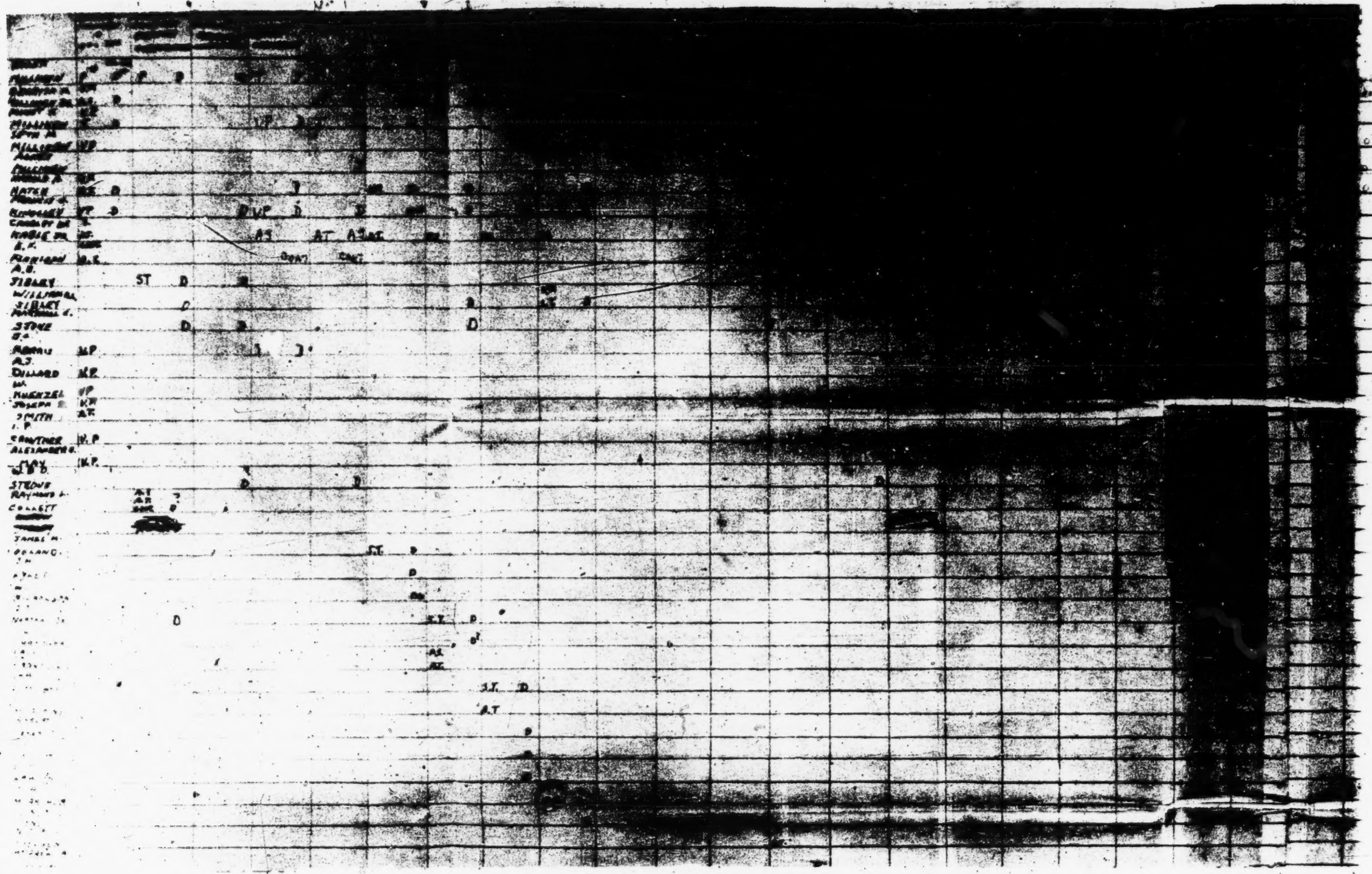
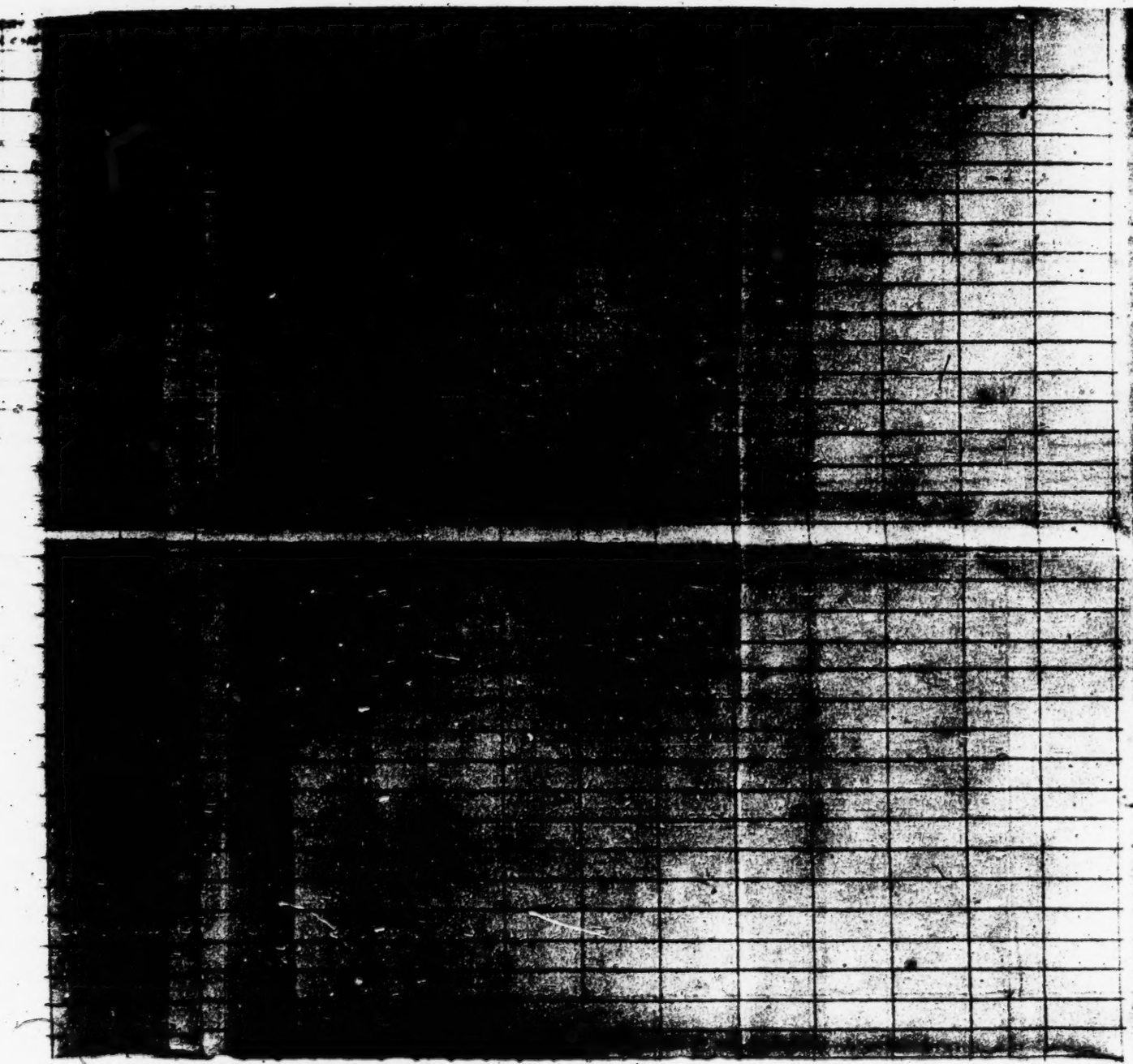




General Counsel Exhibit B-10



NOTES

A. The General Manufacturing Corporation operates three manufacturing divisions: the Cotton Mills division at Lewiston, Maine, producing woolen fabrics; the Farnsworth Mill division at Lisbon Center, Maine, producing worsted fabrics; and the Judson Mills division at Greenville, South Carolina, which manufactures combed cotton, nylon, "Dacron," rayon and other synthetics. The Company also had twelve subsidiaries which include Machine Mill, Inc., Manchester Mills, Inc., Abbeville Mills Corporation, Guyton Mill Corporation, Ranch Mill Corporation, Millikan Automotive Fabrics, Inc., Excelsior Merchandising Company, Kingstree Manufacturing Company, D.M. Trucking Company, and housing corporations.

B. Monarch Mills, Inc., operated Monarch Mills at Union, South Carolina, which manufactures print and industrial cotton fabrics; Gaffney mill at Gaffney, South Carolina, which manufactures corduroys, poplins, and [illegible]; Lockhart Mills, Lockhart, South Carolina, which manufactures [illegible] and dimity fabrics.

The Company has subsidiaries--the Jonesville Products Company at Jonesville, South Carolina, which sells used cotton diapers and cloth sheets; the Jonesville Manufacturing and the Lockhart Power Company.

C. [illegible] Company operated plants at Pacolet, South Carolina, which manufactures sheeting, osnaburgs, drills, and twills; a plant at [illegible], which produces sheetings, drills, and twills; [illegible], Georgia, which produces print cloth and industrial fabrics; and the Clinton Spinning Mill at Pacolet, South Carolina, which [illegible].

D. [illegible] Mills, Inc., operates a plant at Pacolet, South Carolina, which manufactures cotton industrial fabrics; a plant at McCormick, South Carolina, which manufactures worsted and synthetic yarns; a plant at [illegible], South Carolina, which weaves worsted and blended worsted [illegible], South Carolina, which manufactures and finishes [illegible], South Carolina, which manufactures [illegible] and a plant at Clemson, South Carolina, which [illegible] for tire cord and industrial uses.

E. [illegible] Industries, Inc., was formerly Woven Plastics, Inc., and is a subsidiary of The General Manufacturing Corporation and produces flannel and other upholstery fabrics for the automobile trade.

F. Manchester Merchandising Company, Inc., was formerly the Union Processing Company. Until 1954 the Company processed waste. Starting in 1955 it merchandised woolen, worsted, and synthetic fabrics to the jobbing trade and also to department stores for over-the-counter piece goods selling.

P- President

SIMMONS
A.J.
LINDSAY
J.T.
MARSHALL
C. MILLER
BURGESS
MARSHALL L.
SMITH
ALBERT O.
TODD
K.M.
LEWRY
A.B.
NEWTON
R.W.
McCLENDON
R.F. CECIL
H. MARR
C.A. BECTRA-
MINI
T.D. TYDLOCK

See "Notes" attached

[redacted] Corporation, [redacted] Cleaners, Dyers Laundries, which [redacted] for the dye wood and industrial users.

[redacted], Inc., was formerly Woven Plastics, Inc., [redacted] Industrial Manufacturing Corporation and pro- [redacted] for upholstery fabrics for the automobile trade.

7. [redacted] Merchandising Company, Inc., was formerly the Union Processing Company. Until 1954 the Company processed waste. Starting in 1955 it merchandised woolen, worsted, and synthetic fabrics to the jobbing trade and also to department stores for over-the-counter piece goods selling.

P. - President
V.P. - Vice President
[redacted]
S - Secretary
Comp. - Comptroller
A.T. - Assistant Treasurer
A.S. - Assistant Secretary
G.M. - General Manager
D - Director
Ch. Bd. - Chairman of the Board

CHAIRMAN

1. [redacted] Millikan replaced Francis O. Kingsley as a Darlington Director September 12, 1956.

2. W. S. Nicholson is the former Treasurer of Darlington.

General Counsel Exhibit B-11

Date: June 27, 1956

To:

Mr. A. B. Sibley	Mr. L. J. Fisher, Jr.
Mr. J. M. Bailey	Mr. W. S. Manning
Mr. George Asnip	Mr. R. C. Owings
Mr. E. O. De Fore	Mr. W. E. Thrailkill
Mr. J. A. Meehan	Mr. M. G. Wallace
Mr. J. J. Norton, Jr.	Mr. A. J. Dillard
Mr. J. M. Oeland	Mr. J. C. Harris
Mr. I. S. Pitts, Jr.	Mr. M. K. Milliken
Mr. W. A. L. Sibley	Mr. R. B. Newton
Mr. G. G. Simmons	Mr. George Jolly
Mr. J. C. Stone	Mr. Eric Adler

FROM: W. R. Kuenzel

This is to advise that as of June 1, 1956 Mr. Victor Ross has joined the Fabric Development department of Deering, Milliken & Co., Inc. Mr. Ross will be our representative in Europe with headquarters at Milan, Italy. It will be his function to survey the European market with regard to new fabrics, new finishes, new manufacturing processes and any other developments in the line of textiles. He will supply us with samples of fabrics that are of particular interest to Deering Milliken and keep us abreast of fashion trends generally.

In order to carry out this function effectively, it will be necessary for Mr. Ross to be fully acquainted with all of the types of fabrics produced by our mills. To date, he has spent two weeks with Fabric Development covering greige goods sales and is presently working at the Uptown office covering woolens, worsteds and synthetic blends.

Mr. Ross is planning to spend a period of four weeks at several of our greige goods mills, woolen and worsted

mills, as well as Abbeville. It will be greatly appreciated if the respective mill managers will give their wholehearted cooperation in getting Mr. Ross fully acquainted with their various products and manufacturing facilities. They should also discuss with Mr. Ross their particular spheres of interest as guidance for his future activities.

Mr. Ross will spend another week in August in New York, at which time the various departmental managers, the yarn department as well as downtown greige goods sales, will have an opportunity to pinpoint their specific interests.

I hope that everyone will take full advantage of the services that Mr. Ross will render to Deering, Milliken.

WRK:MAT

General Counsel Exhibit B-12

[Letterhead of]

DEERING, MILLIKEN & CO., INC.

Date: November 22, 1955

To: Mr. J. M. Oeland, Darlington

From: C. M. Burchard

Subject:

How many of your employees know something of the size of MILLIKEN mills, the scope of fabrics that MILLIKEN produces, and the versatility of the MILLIKEN operation? We think that many of your people should have the Fabric Magic book which was printed about two years ago, but still is most interesting and emphasizes the size and influence of the MILLIKEN operation.

We have a supply of these books available in New York. They cost considerable to have printed, but in the interest of having these well distributed to more mill employees we would sell these to you at the very low price of 15¢ per copy. This charge is to help defray the expense of handling and shipping to you.

Will you advise me promptly the number of copies which you can use?

We are attaching hereto a copy of the Fabric Magic book for your perusal and ordering.

CMB:TA
Attachment

General Counsel's Exhibit B-13

FABRIC
MAGIC
by MILLIKEN

This is the story of Fabric Magic and of what makes it possible. It weaves a tale of textile adventure—of new fabrics created *first* by Milliken through the wizardry of science—of standard fabrics produced in thousandfold varieties—of mills magnificent even by modern measure—of the many millions spent to equip them, the up-to-date machinery to power them—of textile technicians highly proficient in their art.

Here is the magic of American textile pioneering and teamwork and know-how—and here is the evidence of a faith in the future, founded in the wisdom of nearly ninety years of progress in producing more quality in textiles of all types for more people.

Deering, Milliken & Co., Inc. . . . "quality-controlled textiles in quantity"

What is Fabric Magic?

It is Magic of Fiber-Blends Creating NEW Fabrics—Fabrics of the future with never-before usefulness . . . scientifically *engineered* by Milliken . . . created through chemistry . . . and miracle blends of wool and man-made fibers.

It is Magic of Versatility for Fabric VARIETY—No matter the need . . . how urgent, how unique . . . from fabrics for fabulous fashions to textiles for tough industrials . . . there's more to choose from, *with* quality, at Milliken.

General Counsel's Exhibit B-13

It is Magic of $78,000,000 Converted into New, Modern Equipment—More of the best in textiles of every type come from the most ***modern***, new and *newly-modernized* mills in all the world . . . the mills associated with Milliken.

It is Magic of RESEARCH in Fibers and Facilities—It's scientific selection, testing and utilization of newest fibers . . . latest machines . . . finest supplies. It's pioneering new inventions, new improvements . . . through chemical, electronic and mechanical ***research.***

It is Magic of Leadership in Progress and Quality—Leadership in *new* fabrics . . . in *variety* of fabrics . . . in finest fabric *facilities* . . . all in greater *quality* and *value.* Each marks a chapter in this story of Fabric Magic by Milliken.

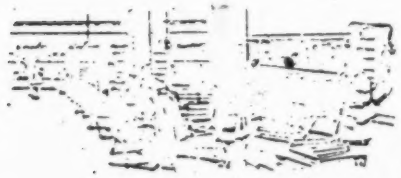
. . . and it all adds up to more of the best in fabrics of every kind . . . for use in the fields of FASHION, HOME, INDUSTRY and AGRICULTURE.

* * *

Have You a Fabric Problem? Here's Fabric Magic to Help You. With unrivalled textile facilities set up to process all fibers—whether worsted, wool, cotton, nylon or others made by man—*but* NOT committed to any, Milliken is in the ideal position of being able to assess, objectively, a fiber or blend on its individual merits. And then, using the best and most economical processes, the mills with Milliken are uniquely equipped to *engineer* new blends which have proved themselves best fitted for the required end uses.

* * *

Fabrics for Retailers *Direct-from-Milliken*



Make mine Milliken . . . people are saying when buying FIRST LADY sheets, pillowcases; diapers; sheeting.

Make mine Milliken . . . people are saying when buying MILIUM linings or blended or woolen piece goods in their favorite store.

"FIRST LADY" SHEETS PILLOWCASES, SHEETING

First Lady Sheets and Cases: lightweight muslin (type 128) heavy duty muslin (type 140).

Sold to: department stores, chain stores, mail order houses, jobbers, and hotel and linen supply houses.

Mills: Lockwood mill; Dutchess Bleachery.

MILLIKEN LABEL PIECE GOODS

Fabrics: all-wool *dress* crepes; flannel, worsted gabardine, rayon-wool, orlon-wool, dacron-wool suitings; plaid wools; nylon-wool flannel; and Milium linings.

Sold to: department stores, jobbers, chain stores and mail order houses.

Mills: Cowan, Farnsworth, Excelsior, Hatch, Johnston, Abbeville, Judson, Drayton.

BIRDSEYE AND GAUZE DIAPERS

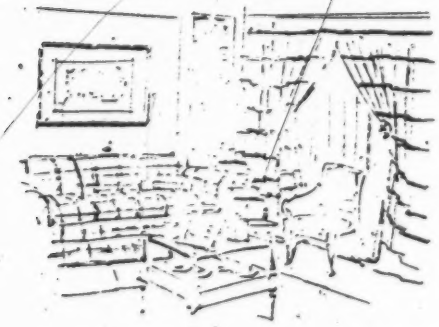
Birdseye Diapers: lightweight, medium weight, heavyweight.

Gauze Diapers: heavyweight.

Sold to: department stores, chain stores, wholesale jobbers and diaper services.

Mill: Jonesville Products Co.

Fabrics for Home Goods Manufacturing *from Milliken*



A wide variety of Milliken fabrics find their way into the *homes of America* . . . marquisettes for pretty curtains, and satins for the draperies, heavy cotton covers and laundry

DRAPERY, CASEMENT AND CURTAIN FABRICS

Drapery Fabrics: cotton, cotton-and-rayon boucles, satins, failles, rayon-and-linen, novelties, and Fiberglas. From Judson, Laurens, Drayton, Excelsior-Clemson, Pacolet.

Curtain Fabrics: rayon, nylon, orlon, Fiberglas marquisette, ninon —Judson, Gerrish Milliken Mills, Drayton.

Sold as: greige goods.

UPHOLSTERY AND AWNING FABRICS

Upholstery Fabrics: Saran plastic fabric, cotton, cotton-rayon boucle, rayon-and-linens, novelties . . . from Abbeville, Clemson.

Awning Fabrics: Orlon, heavy duty cotton drills and twills for durable awnings . . . from Pacolet mills, Judson.

Sold as: Saran, finished; others, greige.

TOWELING, BAGS AND COVER FABRICS

Towel Fabric: cotton drill.

Utility Bags Fabrics: laundry and shoe bag cotton drills.

Mattress and Furniture Covers: heavy cotton drills and twills.

All sold as: greige goods.

Mill: all from Pacolet mills.

SHOWER FABRICS

Shower Curtain Fabrics: versatile cotton print cloth, for plastic-coating and processing into shower curtains . . . from Gaffney and Lockwood-Dutchess mills.

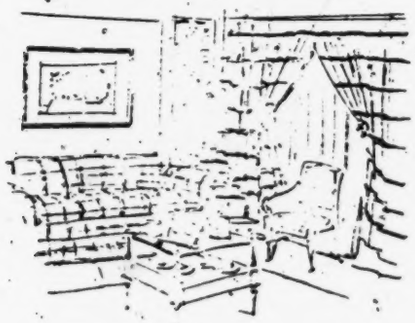
Sold as: greige goods.

WINDOW SHADE FABRICS

Window Shade Fabrics: special cotton shade cloths, basic fabrics in home window shades.

Mills: Gaffney, Lockwood-Dutchess, Monarch, Pacolet, Gainesville.

·from Milliken



A wide variety of Milliken fabrics find their way into the *homes of America* . . . marquisettes for pretty curtains, and satins for the draperies—heavy cotton covers and laundry bags. Listed at right are just a few of them. Many available as greige goods, many finished!

and-rayon boucles, satins, failles, rayon-and-linen, novelties, and Fiberglas. From Judson, Laurens, Drayton, Excelsior-Clemson, Pacolet.

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Sold as: greige goods.

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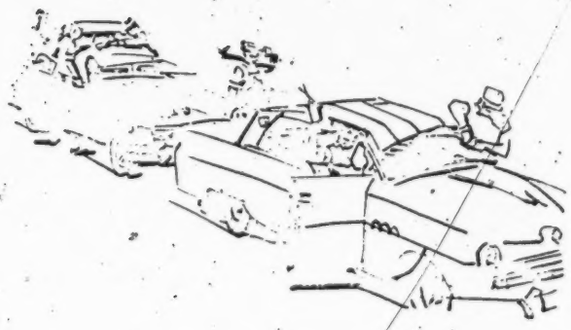
Fabrics for Factory and Farm

from Milliken



Textiles which form the basic material in many an industry's goods or tools . . . textiles which help farmers grow their crops and dairymen process their products . . . flow from the mills with Milliken to play vital roles in the American farm and factory scenes. Many are *greige* goods, many *finished.*

BASIC TEXTILES FOR LAMINATED PLASTICS

Fiberglas Cloth: for both high and low pressure laminates (tubing, boats, fishing rods, radomes, electric panels).

From: Judson mill.

Sold as: greige goods and finished.

Print Cloth; Sheeting: for reinforced and laminated plastics (table and desk tops, laminated gears).

All sold as: greige goods.

Mills: Monarch and Pacolet.

BASIC TEXTILES FOR ELECTRIC INSULATION

Fiberglas and Cotton Print Cloth: insulation wrapping for electric cable, electric wire, electric equipment.

Sold as: greige goods.

Mills: Gaffney, Monarch, Lockwood-Dutchess.

BASIC TEXTILES FOR THE RUBBER INDUSTRY

Precision Rayon Tire Cord: finest grade rayon tire cord obtainable. For use in auto and truck tires, industrial V-belts, garden hose, etc.

Fiberglas Cloth: radomes, flexible tubing and ducts, hot material conveyors.

Nylon Tire Cord: top grade—for use in making airplane tires.

Nylon Pontoon Oxford.

All sold as: greige goods.

Mills: both from Excelsior-Clemson.

BASIC TEXTILES USED IN HEAVY INDUSTRY

Cloth Backing: print cloth for abrasive papers, adhesive tapes, industrial hip-boots.

Sold as: greige goods.

Mills: Gaffney, Monarch, Gainesville.

Sold as: greige goods.

Mill: Pacolet.

FABRICS FOR USE IN AUTOMOBILES

Auto Seat Covers: Saran woven plastics, in many colors and patterns.

Sold as: finished goods.

Mill: Woven Plastics at Abbeville.

Convertible Auto Top Fabric: heavy duty weather-resistant Orlon.

Soundproofing: cotton sheeting.

All sold as: greige goods.

Mills: Pacolet, Lockwood, Abbeville, Judson.

Auto Floor Coverings: wide cotton drills used as base for imitation rugs.

FABRICS USED IN AGRICULTURE

Seed Bed Covers: versatile cotton print cloth.

Dairy Filters: print cloth.

Cheese Bandages and Tobacco Cloths: print cloth.

All sold as: greige goods.

Mills: Gaffney, Monarch.

PROGRESS is the magic word for the MILLS with Milliken

Progress . . . researched, planned, spirited progress . . . in every activity influencing the production of superior fabrics.

Personnel Progress . . . through the skills and interest of highest caliber men and women . . . whose own progress in their textile careers is made more secure by scientific training and by a firm *promote-from-within* policy.

Mill Progress . . . in number of mills, in specialized mills, in vast *new* mill construction, in plant and equipment modernization.

Fabric Progress . . . by just plain being ready and able to utilize to the fullest all the new and fabled fibers of the American chemical industry . . . by creating new, new fabrics for you . . . always putting quality first.

You Made Milliken and the Mills Grow . . .

But above all else, the nearly-ninety year progress of Milliken and the Mills rests in the best magic of all . . . the magic of *customer confidence* in the fine fabrics sold by Milliken. Your approval made the evidences of progress, pictographed below, the solid American-way facts that they are . . .

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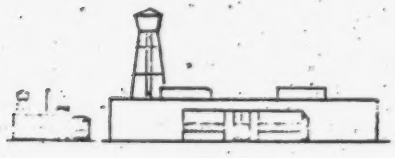
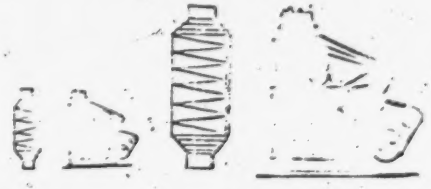
You Made the Mills Grow Like This



1865
1 mill

Now
29 mills

You Made Equipment Grow Like This



1865
2,400 spindles,
32 looms

Now
870,000 spindles,
20,300 looms

You Made Employee Rolls Grow Like This

1865
only 97
employees

Now
over 19,000
employees

You Made Annual Yardage Grow Like This

1865
less than
22.000 yards

Now
over 625,000,000
yards

Milliken pace-setting PROGRESS means

More of the Best in Fabrics of every kind . . .

General Counsel Exhibit B-13

No Greater Capacity for ... *Anywhere*

There Are Fabrics from Milliken for 'most Every Need...

...just a few examples of the variety of Milliken FASHION Fabrics

Fabrics that Make FASHION NEWS.

DRESS Fabrics from Milliken

FABRIC	MILL	SOLD AS
Sophista (100% virgin wool worsted)	Johnston	Finished
The 400 (100% wool and worsted)	Excelsior	Finished
Cadogan (60% wool, 40% rayon)	Cowan	Finished
Bemberg Crepes (rayon)	Judson	Greige
Nylon Butterfly (nylon)	Milliken	Greige
Mastersheer (acetate and rayon)	Judson	Greige
Cynara (acetate and rayon)	Milliken	Greige

SPORTSWEAR Fabrics from Milliken

FABRIC	MILL	SOLD AS
Lisboness (100% wool)	Farnsworth	Finished
Velvelyn (100% wool)	Excelsior	Finished
Lorette (55% orlon, 45% wool)	Excelsior	Finished
Cadogan (60% wool, 40% rayon)	Cowan	Finished
Featheron (85% wool, 15% nylon)	Excelsior	Finished
Birdseye Pique Cloth (combed cotton)	Drayton	Greige
Corduroy (corded)	Ottaray	Greige

Fabrics that Make FASHION NEWS

From practical and pretty-for-housedresses print cloth—produced in greige goods quantities so staggering as to make news for that fact alone—to fine-combed fissue gingham and dotted swiss fashion cottons—*you can get them all at Milliken.*

From fashion-news patterns and colors in worsteds, flannels, suedes, crepes and fleeces, of wool—to taffetas, satins, tricots and failles, of man-made fibers—to all kinds of blends, to Milium* metal-insulated rayon linings—*you can get them all at Milliken.*

New TRICOT Knit Fabrics

Making fashion news in the under-fashions field are the new Milliken TRICOT knit fabrics of *all-NYLON* and *all-ACETATE.* Specially equipped with ultra-modern Tricot warp knitting machines, the new Gayley mill specializes in these superior quality Tricot greige goods.

from Milliken

FABRIC	MILL	SOLD AS
Sophista (100% virgin wool worsted)	Johnston	Finished
The 400 (100% wool and worsted)	Excelsior	Finished
Cadogan (60% wool, 40% rayon)	Cowan	Finished
Bemberg Crepes (rayon)	Judson	Greige
Nylon Butterfly (nylon)	Milliken	Greige
Mastersheer (acetate and rayon)	Judson	Greige
Cynara (acetate and rayon)	Milliken	Greige

from Milliken

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Velvelyn (100% wool)	Excelsior	Finished
Lorette (55% orlon, 45% wool)	Excelsior	Finished
Cadogan (60% wool, 40% rayon)	Cowan	Finished
Featheron (85% wool, 15% nylon)	Excelsior	Finished
Birdseye Pique Cloth (combed cotton)	Drayton	Greige
Corduroy (corded)	Ottaray	Greige

SUITINGS from Milliken

FABRIC	MILL	SOLD AS
Worsteray (80% rayon, 20% worsted)	Abbeville	Finished
Abbey Flannels (100% viscose and acetate)	Abbeville	Finished
Meriba Ribs (100% viscose and acetate)	Abbeville	Finished
Dovella (100% virgin wool worsted)	Johnston	Finished
Visa (55% dacron, 45% worsted)	Johnston	Finished
Parella (100% virgin wool worsted)	Johnston	Finished
Ribulay (100% virgin wool worsted)	Johnston	Finished

COATINGS from Milliken

FABRIC	MILL	SOLD AS
Lusterlain (89% wool, 11% nylon)	Farnsworth	Finished
Tunara Tweed (all wool)	Farnsworth	Finished
Waffelain (all wool)	Farnsworth	Finished
Cresenda (all wool)	Farnsworth	Finished
Karella (55% wool, 32½% vicara, 12½% nylon)	Farnsworth	Finished
Bellaine (all wool)	Farnsworth	Finished
Starella (all wool)	Farnsworth	Finished

LININGS from Milliken

FABRIC	MILL	SOLD AS
Milium* (process for metal insulating fabrics)	Excelsior Finishing	Commission Finished
Satins (acetate)	Judson, Drayton, Kingsley	Greige
Taffetas (acetate)	Judson, Drayton	Greige
Iridescents (rayon and acetate)	Drayton	Greige
Twills (rayon)	Drayton	Greige

*Trade Mark

LINGERIE and BLOUSE Fabrics from Milliken

FABRIC	MILL	SOLD AS
Satins (acetate)	Judson, Drayton, Kingsley	Greige
Nylons	Judson, Gerrish Milliken	Greige
Tricot (nylon, acetate)	Gayley	Greige
Lingerie Crepe, multifilament (acetate, rayon)	Judson, Gerrish Milliken	Greige
Combed Broadcloth	Hartsville	Greige & Finished

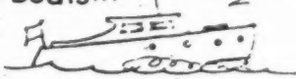
Fabric Variety

GREATER because Milliken leadership is outstanding in *variety of new fabrics* created by utilizing every variety of man-made and natural fibers.

GREATER because Milliken represents the widest *variety of modern mills* with the greatest variety of new machinery and textile skills in the world . . . producing a tremendous variety of standard fabrics and an outstanding variety of new fabrics . . . from *greige goods* for converters and industry to *finished goods* for manufacturers and retailers.

From FIBERGLAS MATERIALS
so ideal for curtains...

To TOUGH FIBERGLAS CLOTH
for laminated plastics in boats...



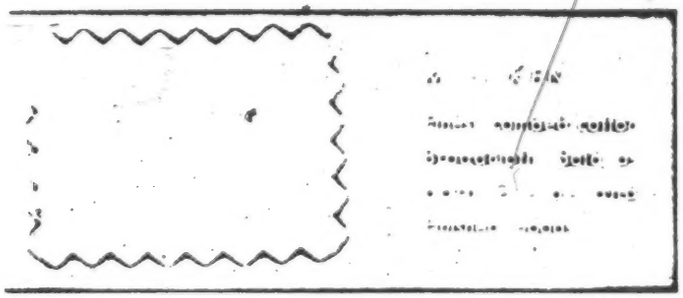
You can get them all...
and more... at MILLIKEN

from Fashion and Home Goods to Factory and Farm

. . . just a few examples of the variety of Milliken MENSWEAR Fabrics

Fabrics
That Make
the Clothes
That Make
the MAN

SHIRTING FABRICS from Milliken



Milliken Broadcloth Used in Famous Shirts

Devoted exclusively to the production of one fabric—the Hartsville mill is specially equipped and geared to produce the finest quality combed-cotton Broadcloth shirting ever laid on a cutting table. Only all-combed, rain-grown, beautiful grade of delta cotton—with minimum of neps—is used

SUITINGS, SLACK, UNIFORM Fabrics

FABRIC	MILL	SOLD AS
Year-Round Weights		
Gabardines (all worsted)	Johnston	Finished
Gabardine Sheens (worsted)	Johnston	Finished
Visa (55% dacron, 45% wool)	Johnston	Finished
Sharkskins (acetate)	Drayton	Greige
Gabardines (acetate-rayon for slacks)	Laurens	Greige
Tropical Weights		
Visa (55% dacron, 45% worsted)	Johnston	Finished
Military Uniform Fabrics		
U. S. Air Force Serge (18 oz. worsted)	Johnston	Finished
U. S. Army Serge (18 oz. worsted, nylon)	Johnston	Finished

WORK CLOTHES, UNIFORM Fabrics

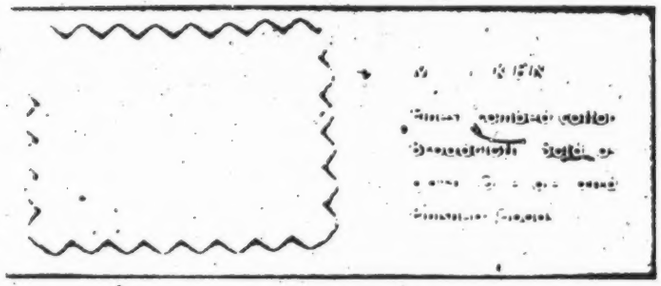
Fabrics That Make the Clothes That Make the MAN

From America's finest combed broadcloth ("Milliken") for famous-make shirts and fancy blends for sport shirts—to handsome worsted gabardines for topcoats—and smart worsted serge for Air Force uniforms . . . you can get them *all* at *Milliken*.

From miracle blends of Dacron-and-worsted for lightweight tropical suits to tough-fibered blends of heavy duty rayon-and-wool—and to sturdy cotton drills and twills for work clothes and industrial uniforms . . . you can get them *all* at *Milliken*.

Both greige goods for converters and finished goods for clothing manufacturers.

from Milliken



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FABRIC	MILL	SOLD AS
Broadcloth (fine combed cotton)	Hartsville	Greige, Finished
Nylon	Judson, Gerrish Milliken	Greige
Dacron	Judson	Greige
Orlon	Judson	Greige

COATING Fabrics from Milliken

FABRIC	MILL	SOLD AS
Top Coatings		
Gabardine (all worsted sheen)	Johnston	Finished
Gabardine (rayon and nylon blend)	Laurens	Greige
Twills (rayon and acetate)	Laurens	Greige
Sport Coatings		
Lightweight Fancy (60% wool, 40% rayon)	Cowan	Finished
Fancy Blend (vicara, wool, nylon)	Farnsworth	Finished

FABRIC	MILL	SOLD AS
Year-Round Weights		
Gabardines (all worsted)	Johnston	Finished
Gabardine Sheens (worsted)	Johnston	Finished
Visa (55% dacron, 45% wool)	Johnston	Finished
Sharkskins (acetate)	Drayton	Greige
Gabardines (acetate-rayon for slacks)	Laurens	Greige
Tropical Weights		
Visa (55% dacron, 45% worsted)	Johnston	Finished
Military Uniform Fabrics		
U. S. Air Force Serge (18 oz. worsted)	Johnston	Finished
U. S. Army Serge (18 oz. worsted, nylon)	Johnston	Finished

WORK CLOTHES, UNIFORM Fabrics

FABRIC	MILL	SOLD AS
Heavy Service Fabric (80% rayon, 20% wool)	Abbeville	Finished
Overall Drill (heavy cotton)	Pacolet	Greige
Work Clothes Drill (heavy cotton)	Pacolet	Greige
Coverall Twill (heavy cotton)	Pacolet	Greige
Pocketing Drill (heavy cotton)	Pacolet	Greige
Poplin (combed cotton)	Drayton	Greige
Work Clothes Jeans (heavy cotton)	Pacolet	Greige
Work Clothes Moleskin (heavy cotton)	Pacolet	Greige
Uniform Gabardines (heavy cotton)	Ottaray	Greige

SPORT SHIRTING Fabrics from Milliken

FABRIC	MILL	SOLD AS
Gabardine, lightweight (rayon and acetate)	Laurens	Greige
Flannels (rayon and acetate)	Drayton	Greige
Fancy, blended (60% wool, 40% rayon)	Cowan	Finished
Corded Suiting (rayon, acetate, cotton)	Drayton	Greige
Stabilon (55% orlon, 45% wool)	Hatch	Finished
Rayon and Acetate	Abbeville	Finished
Gingham (combed cotton)	Drayton, Judson	Greige
Faille (rayon)	Drayton	Greige
Gabardine (corded cotton)	Ottaray	Greige

General Counsel Exhibit B-13

$78,000,000 in Expansion Since 1940 For the 29 New or Newly-Modernized Maine-to-Georgia Mills with Milliken

Invested in an idea . . . . 78 *million* magic American dollars. The idea? To solidly insure continued production of the finest quality in fabrics of every kind—and to produce *more* of them. The method? $56,000,000 of the expansion investment went into complete modernization of the equipment and facilities—and careful integration into a well-balanced group—of all the mills served by Milliken.

FROM THESE 29 MILLS COME MORE OF THE BEST IN TEXTILES

MILL	LOCATION
MAINE	
1 Cowan Mill	Lewiston, Me.
2 Farnsworth Mill	Lisbon Center, Me.
3 Lockwood Mill	Waterville, Me.
NEW YORK	
4 Dutchess Bleachery Plant of Lockwood Dutchess	Wappingers Falls, N. Y.
NORTH CAROLINA	
5 Excelsior Mills' Rutherfordton Mill	Rutherfordton, N. C.
6 Hatch Mill	Columbus, N. C.
SOUTH CAROLINA	
7 Abbeville Mills	Abbeville, S. C.
8 Darlington Mill	Darlington, S. C.
9 Drayton Mill	Spartanburg, S. C.
10 Excelsior Mills	Union, S. C.
11 Excelsior Mills' Clemson Plant	Clemson, S. C.
12 Excelsior Finishing Plant of Excelsior Mills	Pendleton, S. C.
13 Gaffney Mill	Gaffney, S. C.
14 Gayley Mill	Marietta, S. C.
15 Hartsville Cotton Mill	Hartsville, S. C.
16 Johnston Mill	Johnston, S. C.
17 Lockhart Power Plant	Lockhart, S. C.
18 Judson Mill	Greenville, S. C.
19 Laurens Mills	Laurens, S. C.
20 McCormick Mill	McCormick, S. C.
21 Monarch Mills Lockhart Plant	Union, S. C.
22 Monarch Plant of Monarch Mills	Union, S. C.
23 Monarch Mills' Ottaray Plant	Union, S. C.
24 Gerrish Milliken Mill	

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16 Johnston Mill	Johnston, S. C.
17 Lockhart Power Plant	Lockhart, S. C.
18 Judson Mill	Greenville, S. C.
19 Laurens Mills	Laurens, S. C.
20 McCormick Mill	McCormick, S. C.
21 Monarch Mills Lockhart Plant	Union, S. C.
22 Monarch Plant of Monarch Mills	Union, S. C.
23 Monarch Mills' Ottaray Plant	Union, S. C.
24 Gerrish Milliken Mill	Pendleton, S. C.
25 Pacolet Mfg. Plant #3	Pacolet, S. C.
26 Pacolet Mfg. Plant #5	Pacolet, S. C.
GEORGIA	
27 Kingsley Mill	Thomson, Ga.
28 Pacolet Mfg. Gainesville Plant	Gainesville, Ga.
29 Pacolet Mfg. New Holland Plant	New Holland, Ga.

$22,000,000 Building Program for 10 New Mills During 10 Past Years Sets the Pace in Textile Progress

A *new mill a year* for ten years . . . *22 million* dollars, of the $78,000,000 expansion investment, built eight completely new mills, and two 75 per cent new. Exciting new man-made fibers—like Acrilan, Dacron, Dynel, Nylon, Orlon, Vicara—were setting new fabric horizons. And new mills with Milliken were specifically designed to blend and fashion these fibers into fabrics of the future.

10 NEW MILLS BUILT TO SPECIALIZE IN IMPORTANT-TO-YOU FABRICS

MILL	LOCATION	CHIEF FABRIC
1 McCormick Spinning Mill	McCormick, S. C.	worsted and blended yarns
2 Excelsior-Union Mill	Union, S. C.	wool-nylon dress goods, sportswear, woolen suitings
3 Pacolet-Gerrish Milliken Mill	Pendleton, S. C.	filament fabrics of nylon-orlon and other man-made fibers
4 Johnston Mill	Johnston, S. C.	fine worsted and dacron-worsted men's and women's fashion fabrics
5 Excelsior-Clemson Mill	Clemson, S. C.	rayon and nylon tire cords, belt cords; novelty rayon drapery fabrics
6 Hatch Mill	Columbus, N. C.	wool-orlon dress and suitings, and other man-made fiber blends
7 Kingsley Mill	Thomson, Ga.	filament rayon and acetate fabrics
8 Excelsior Finishing	Pendleton, S. C.	finishing woolens, worsteds and man-made fiber fabrics, Milium, glass fabrics, draperies
9 Gayley Mill	Marietta, S. C.	flat knit rayon and nylon tricot
10 Abbeville Mill	Abbeville, S. C.	Worsteray, woven plastics, all man-made spun fiber blends; and finishing

General Counsel Exhibit B-13

Milliken's own industrial engineers check all details of new mill plans

Daniels Construction Co. experts direct work on new Gayley mill

Modern efficient lighting and latest machinery in Hatch mill

Air-conditioned, windowless, climate controlled mill at Clemson

Turn back these flaps to see the Modern Mills with Milliken

MAGNIFICENTLY EQUIPPED

. . . over 870,000 spindles and 20,000 looms

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General Counsel Exhibit B-13

Cowan Mill, Lewiston, Maine
—Woolens

Lockwood Mill, Waterville, Maine
—FIRST LADY Sheets, Pillow Cases

Dutchess Bleachery, Wappingers Falls, N. Y.
—Bleachery

Rutherfordton Mill (Excelsior Mills)
Rutherfordton, N. C.
—Woolen Dress and Suitings

Darlington Mill, Darlington, S. C.
—Fancy carded cotton print cloths

Drayton Mill—Spartanburg, S. C.
—Combed Cotton, Rayon, Nylon

Cowan Mill, Lewiston, Maine
—Woolens

Lockwood Mill, Waterville, Maine
—FIRST LADY Sheets, Pillow Cases

Dutchess Bleachery, Wappingers Falls, N. Y.
—Bleachery

Rutherfordton Mill (Excelsior Mills)
Rutherfordton, N. C.
—Woolen Dress and Suitings

Darlington Mill, Darlington, S. C.
—Fancy carded cotton print cloths

Drayton Mill—Spartanburg, S. C.
—Combed Cotton, Rayon, Nylon

Hartsville Cotton Mill—Hartsville, S. C.
—Combed Broadcloth

Lockhart Power Plant, Lockhart, S. C.
—Power Plant

Gaffney Mill—Gaffney, S. C.
—Print cloth; Carded Broadcloth

PRECISION PRODUCING

. . . over 12,000,000 yards of fabric weekly

Judson Mill, Greenville, S. C.
—Nylon, Dacron, Orlon, Rayon, Acetate Filament Fabrics

Laurens Mill, Laurens, S. C.
—Spun Rayon Fabrics, Draperies

Lockhart Plant (Monarch Mills), Union, S. C.
—Print Cloth, Birdseye, Gauze

Monarch Mill, Union, S. C.
—Carded Print Cloth, Broadcloth, Poplin

Ottaray Plant (Monarch Mills), Union, S. C.
—Cotton Gabardine, Corduroy, Pique

Plant #3 (Pacolet Mfg.), Pacolet, S. C.
—Drills, Twills, Moleskins, etc.

Monarch Mill, Union, S. C.
—Carded Print Cloth, Broadcloth, Poplin

Ottaray Plant (Monarch Mills), Union, S. C.
—Cotton Gabardine, Corduroy, Pique

Plant #3 (Pacolet Mfg.), Pacolet, S. C.
—Drills, Twills, Moleskins, etc.

Plant #5 (Pacolet Mfg.), Pacolet, S. C.
—Sheetings

Gainesville Plant (Pacolet Mfg.), Gainesville, Ga.
—Shade Cloth, Industrial Specialties

New Holland Plant (Pacolet Mfg.), New Holland, Ga.
—Drills, Twills, Sanforizing

General Counsel Exhibit B-13

Magic of Mill Integration assures control of Quality from fiber to fabric

Just as a big-league ball club is a team of specialists, each playing an important position and working with the others to control the play . . . so is the textile team with Milliken a group of specialist mills, each expert in some type or phase of textile production, and *closely integrated* to control—from start to finish—the properties, costs and quality of the fabrics they produce.

No matter whether it's cottons, woolens, blends, rayons or plastics—greige goods or finished goods—no outside process interrupts the fiber-to-fabric production and quality control by the integrated group of mills with Milliken.

Integrated Mill Teamwork Quality....Produces Fabrics Like "Visa"

Integrated Mill Teamwork Quality....Produces Fabrics Like "Visa"

Blending Fiber Staple and Spinning the Yarn

Milliken's miracle blend of Dacron and Wool starts at McCormick Mill (above) with the dyeing and blending of select Dacron staple and wool (see samples). Then this fiber-blend is spun into yarn.

Weaving the Greige Goods

The Dacron-Wool yarn from McCormick Mill next are trucked by the mills' own trucking company to Johnston Mill (above) for weaving into an unfinished lightweight worsted cloth (see sample).

Final Finishing of the Fabric

The worsted greige cloth from Johnston Mill is trucked to Excelsior Mills (above) for final shrinking, washing, dyeing and finishing into Visa—the finest tropical suiting in the world. (see sample).

General Counsel Exhibit B-13

Choosing Just the Right

Gives Fabrics

. . . *fabric quality starts*

With central cotton buying offices in the South, the magic of scientific cotton selection starts with laboratory grading of staple length and strength and fineness. In this way, quality is carefully checked and each cotton type is classed for use in fabric for which it is best suited.

Fibers

Just the Right Start

with scientific fiber selection

From COTTON SHEETING for chenille bedspreads...

To COTTON PRINT CLOTH for electric cable insulation...

You can get them all... and more... at MILLIKEN

Just as a really good chef knows exactly the kinds and amounts of foodstuffs to use in the meals he prepares...so do really good textile companies know just the kinds and qualities of cotton, wool and man-made fibers to buy for best possible performance. One centralized buying office for cotton, one for wool, one for synthetics—scientifically selects the fibers for all the mills with Milliken.

Wools from All the World's Markets
Selected to High Standards by Wool Office

for synthetics—scientifically selects the fibers for all the mills with Milliken.

Wools from All the World's Markets
Selected to High Standards by Wool Office

The Boston wool office has notified brokers in the United States, Australia, South Africa, and South America of the rigid Milliken standards specifying wool of specific type best for each type wool yarn and fabric.

All wool arriving at mills is checked against the standards sample for its type (as is being done above). Wool for use in worsted fabrics and yarns must meet particularly exacting standards set by Milliken experts.

Mills analyze wool deliveries for uniformity of fiber length and fineness, colored hairs, vegetable oils, and other quality factors. Often small amounts of yarn and small pieces of fabric are made up as final check.

Exciting New Fabrics Start with Selective Buying
By Milliken of All Types of New Man-Made Fibers

Mills with Milliken utilize great amounts of man-made fibers for new fabrics utilizing new properties in such fibers as Orlon, Dacron, Fiberglas. Many trials in dyeing and weaving are made to assure best performance.

To insure uniformity and Milliken top quality dyeing tests are made continually on each lot of man-made fibers. Mills dye and make up trial fabrics *every time* there is a dye-index change.

To make certain the man-made fiber which gives finest possible quality to fabric is used . . . the mills often run several samples of same fabric using different synthetic fibers . . . and test to select the best.

General Counsel Exhibit B-13

Only the Best through Research

From PLASTIC FABRICS
for colorful beach bags...

To PLASTIC UPHOLSTERY
for outdoor furniture...

You can get them all...
and more... at MILLIKEN

from a Finish fabulous.... to Machines miraculous

Research Gave America BARRIER Finish Repels Water, Resists Spots and Wrinkles

Only after exhaustive research development work did experts at the mills and Milliken Research Trust perfect BARRIER—acclaimed the finest of water-repellent and stain-resistant finishes for synthetic and blended fabrics. Given proper dry cleaning care, durable BARRIER affords this protection and enhances the feel of the fabric for the full life of style garments. Unlike others, BARRIER finish is not destroyed by *even* improper dry cleaning. It completely coats the fibers and protects them from even Cola drink and other food and liquid stains . . . just wipe off with damp cloth. Exclusive with Milliken BARRIER gives fabrics such resiliency they defy wrinkles . . . and it lengthens the life of the fabric.

Research-Trust Equipment Inventions Advance Progress of Milliken and Mills

Because the more efficient the mill machinery the *better the fabric quality* —Milliken and the mills support the independent division, Deering Milliken Research Trust. Its headquarters in Pendleton, S. C., house complete physics and electronics, chemical, and mechanical laboratories, manned by a group of experts in each field. Here the magic of science is always at work on improvements and radically new developments. New instruments and control methods constantly raise the high standards. New processes, dyeing techniques and machines are developed for creating better and better fabrics. The Research Trust Division, with many textile advancements to its credit, is an important factor in keeping Milliken in the forefront of the field.

With central cotton buying offices in the South, the magic of scientific cotton selection starts with laboratory grading of staple length and strength and fineness. In this way, quality is carefully checked and each cotton type is classed for use in fabric for which it is best suited.

Centralized Selective Cotton Buying

Sorts the Staple to Fit the Fabric

Under constant humidity and temperature conditions, technicians in buying laboratory check the fiber fineness, tensile strength, maturity, staple length uniformity, and other *physical* characteristics of raw cotton. Precision testing equipment helps insure best selection.

Besides physical analysis, there must also be careful *chemical analysis* of cotton to guard against buying cotton that has been damaged. Such cotton would cause flaws in finished fabrics and is rejected because it does not meet high Milliken standards. Sometimes a final check of the cotton to determine its performance under mill conditions is made by spinning and weaving it into fabric in the cotton-buying *pilot plant*. Even after cotton is purchased spot checks are made to rate its fabric quality.

Repels water, resists spots and wrinkles

Only after exhaustive research development work did experts at the mills and Milliken Research Trust perfect BARRIER—acclaimed the finest of water-repellent and stain-resistant finishes for synthetic and blended fabrics. Given proper dry cleaning care, durable BARRIER affords this protection and enhances the feel of the fabric for the full life of style garments. Unlike others, BARRIER finish is not destroyed by *even* improper dry cleaning. It completely coats the fibers and protects them from even Cola drink and other food and liquid stains . . . just wipe off with damp cloth. Exclusive-with-Milliken BARRIER gives fabrics such resiliency they defy wrinkles . . . and it lengthens the life of the fabric.

(Above) Even after dining table accidents like the one above, food stains on BARRIER-treated garments wipe right off with clean damp cloth . . . and cleaning costs are saved, too.

(Right) Let it rain, let it pour . . . when the raincoat is made of water-shedding BARRIER*-treated fabric the wearer stays dry in even heavy downpours . . . and wrinkles haven't a chance!

*Trade Mark Reg. U. S. Pat. Off.

Advance Progress of Milliken and Mills

Because the more efficient the mill machinery the *better the fabric quality* —Milliken and the mills support the independent division, Deering Milliken Research Trust. Its headquarters in Pendleton, S. C., house complete physics and electronics, chemical, and mechanical laboratories, manned by a group of experts in each field. Here the magic of science is always at work on improvements and radically new developments. New instruments and control methods constantly raise the high standards. New processes, dyeing techniques and machines are developed for creating better and better fabrics. The Research Trust Division, with many textile advancements to its credit, is an important factor in keeping Milliken in the forefront of the field.

(Above) Research Trust mechanical experts at pilot plant test new, much faster, patented circular rewinders they've developed.

(Left) Electronic device, invented by Research Trust and now licensed to prominent textile equipment manufacturer for industry distribution, stops warping operation for detection and quick repair of breaks in ends—improves quality.

(Left) Research Trust's new 2-for-1 twister spindle increases filament yarn twisting [illegible]e 3 times.

General Counsel Exhibit B-13

Then...1865

nearly 90 years ago the magic of Milliken all began like this

1865—Seth Milliken started the Deering, Milliken Company in Portland, Maine. It wholesaled yard goods and other items, and became the sales outlet for the Farnsworth woolen mill in Maine—the first mill with (and *still* with) Milliken.

1868—the company expanded its quarters in Portland, opened an office in Boston, and moved headquarters to the City of New York. Also about this time, William Deering left Deering, Milliken to establish the company known today as International Harvester.

1920—About 20 mills were now associated with Deering, Milliken when Seth Milliken left the great company to the presidency of his son, Gerrish Milliken. The next 27 years saw rapid growth—particularly in its associating with many cotton mills in the South.

1947—Roger Milliken became president of the company succeeding his father. Recent years have seen the building of 10 new mill affiliates, and modernization of the older mills. Many fabulous new fabrics have been created from man-made fibers and blends.

Through all this history the magic of a leadership dedicated to *more quality and progress in more textiles* has guided Milliken and the mills . . .

General Counsel Exhibit B-17

SPINDLE CHART MAILING LIST

Mr. George Asnip
Excelsior Mills Inc.
Worsted Division
Pendleton, South Carolina

Mr. J. M. Bailey
Judson Mills
Greenville, South Carolina

Mr. D. I. Beal (2)
Farnsworth Mill
Lisbon Center, Maine

Mr. S. J. Craig, Jr.
Hatch Mill Corporation
Columbus, North Carolina

Mr. E. O. DeFore
Excelsior Mills, Inc.
Clemson, South Carolina

Mr. A. J. Dillard, Jr.
Uptown Office

Mr. R. C. Edwards
Abbeville Mills Corporation
Abbeville, South Carolina

Mr. L. J. Fisher, Jr.
Gerrish Milliken Mill
Pendelton, South Carolina

Mr. W. F. Garth (3)
Pacolet Mfg. Company
Gainesville, Georgia

Mr. J. A. Meehan
Excelsior Mills, Inc.
Union, South Carolina

Mr. Roger Milliken
Spartanburg
South Carolina

Mr. J. J. Norton, Jr.
Gaffney Mfg. Company
Gaffney, South Carolina

Mr. J. M. Oeland
Darlington Mfg. Company
Darlington, South Carolina

Mr. I. S. Pitts, Jr.
The Hartsville Cotton Mill
Hartsville, South Carolina

Mr. Alan B. Sibley
Judson Mills
Greenville, South Carolina

Mr. W. A. L. Sibley (3)
Monarch Mills
Union, South Carolina

Mr. G. G. Simmons
Drayton Mills
Spartanburg, South Carolina

Mr. Marshall C. Stone (3)
Pacolet Mfg. Company
Pacolet, South Carolina

General Counsel Exhibit B-17

Mr. J. M. Jackson (3)
Pacolet Mfg. Company
New Holland, Georgia

Mr. F. A. Thompson (2)
McCormick Mill
McCormick, South Carolina

Mr. W. S. Manning
Gayley Mill Corporation
Marietta, South Carolina

Mr. W. E. Thrailkill
Kingsley Mill
Thomson, Georgia

Mr. Martin G. Wallace
Laurens Mill
Laurens, South Carolina

General Counsel Exhibit B-17

DEERING, MILLIKEN & CO. INC.

DATE: March 2, 1956

TO: See Attached List

FROM: E. F. Flanigan

SUBJECT: *Cotton Spindle Activity*

About a year ago you were furnished with a chart showing cotton spindle activity percentages for Deering, Milliken Mills and the industry for the years 1941 through 1954. You were also furnished with a frame for the chart. The chart has been expanded to include statistics for 1955, and it will be going forward to you in the next day or so.

Will you please arrange to have the old chart removed from the frame and the new one inserted when it arrives.

E. F. FLANIGAN

EFF:JS
Att.

General Counsel Exhibit B-19

DEERING, MILLIKEN & CO. INC.

DATE: October 13, 1955

TO: Mr. E. G. Allee
Mr. Fred Anthony
Mr. B. E. Burns
Mr. R. L. Collett
Mr. R. B. Dozier
Mr. P. C. Franklin
Mr. Cecil Gentry
Mr. H. W. Krackenberger
Mr. A. I. Lindblom
Mr. J. A. McArthur
Mr. N. O. Nielsen
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. E. A. Rice
Mr. J. C. Simmons
Mr. W. Fred Swann

FROM: E. F. Flanigan

SUBJECT: *Accounting Periods for Fiscal 1956*

Fiscal 1956 is going to be a 53-week year and a number of mills have written in to inquire how the periods should be set up. After some discussion of the subject, it was decided that the accounting year should consist of twelve 4-week periods and the thirteenth period should be a 5-week one. Accordingly, the accounting periods would be as follows:

Period	*Four Weeks Ended*
1	December 25, 1955
2	January 22, 1956
3	February 19, 1956
4	March 18, 1956
5	April 15, 1956
6	May 13, 1956
7	June 10, 1956
8	July 8, 1956
9	August 5, 1956
10	September 2, 1956
11	September 30, 1956
12	October 28, 1956
	Five Weeks Ended
13	December 2, 1956

EFF:JS

CC: Mr. G. C. Fechtmann
Mr. E. S. Hill

General Counsel Exhibit B-20

DEERING, MILLIKEN & CO. INC

DATE: October 11, 1956

TO: Mr. J. M. Oeland

FROM: E. F. Flanigan

SUBJECT: *Period Payrolls*

It is understood that it has been a general practice throughout the mills to have payroll periods correspond with accounting periods. This is a convenience in the accounting on payrolls, social security taxes and returns, etc. The extra week in fiscal 1956 may disrupt the practice unless a special procedure is adopted at the year end. In this connection, one group of the mills has decided upon a special procedure which is outlined below for your consideration as to the desirability of adopting a similar arrangement at your mills.

"As you are most likely aware, the fiscal year of our mills will end December 2, 1956. The 13th period will be a five week period ending December 2. This means that all employees who are paid on the period payroll each four weeks will, for the 13th period, be paid for the five weeks ending December 2.

This is being drawn to your attention so that you may advise all employees on your payroll that this will occur for the 13th period. I believe the information should be given this period to avoid any possibility of financial embarrassment for our employees in the 13th period.

In accordance with instructions given previously the period salary of employees whose compensation is stated

on an annual basis was determined by dividing the annual salary by 365 days and multiplying by 28 days. This is a more accurate method of computing the period salary than dividing the annual amount by 13. It is recommended that if you are not presently computing the period amount of annual salaries on this basis, that you change over effective December 3. No problem exists if salaries are stated on a weekly basis. Obviously employees will receive five weeks' pay if the salary amount is stated on a weekly basis. Those whose salary is stated on an annual basis will receive 35 days' pay.

It is suggested that all employees on the period payroll be contacted orally or in writing as soon as possible."

EFF:JS

General Counsel Exhibit 21

March 16, 1956

Mr. Minot K. Milliken
Deering Milliken & Co.,
New York, N. Y.

Dear Minot:

We have your letter of March 13th with the Vacation Plan of Pacolet Manufacturing Company which has been approved by the Treasury Department.

We, of course, would like to take advantage of any savings that might be made. We would like to have a little additional time to study with Pacolet's approval, and make some pencil notations where it differs from our present plan here at Darlington. We then would like to take the matter up and discuss with Mr. Kable on my next trip to New York in view of proposed changes we would like to make. I trust this will be satisfactory to you, but in the event we should promptly handle this matter we would be glad to have you so advise.

Very truly yours,

J. M. Oeland
Treasurer

jmo/m
cc: Mr. Roger Milliken

General Counsel Exhibit B-22

April 9, 1956

Mr. Bob Netters
Deering Milliken & Co.
New York, N. Y.

Dear Bob:

This is to confirm our conversation with regard to vacation pay plan.

It is my understanding that at our next directors' meeting you would advise our adopting the plan sent to us of Pacolet Manufacturing Company that has been approved by U. S. Treasury Department. This plan does not differ materially from our plan here and it is our opinion we could adopt it in full.

On the adoption of this plan at the directors' meeting it will then be put on the bulletin board as Darlington Manufacturing Company's vacation pay plan. This then will allow us to accrue in this accounting year a sufficient amount to cover the vacation year. Since the vacation year ends on December 31st and our accounting year about November 30th. We will not accrue for December.

It is my understanding in Darlington's case we have previously accrued and been allowed by the Treasury Department six months of the vacation year. If we get this plan adopted this year it will necessitate our accruing six additional months in this year amounting roughly to around $20,000, which will come out of this year's profits.

We will proceed as outlined in the matter as it is my understanding you recommend our doing it in view of the fact

that an agent might come into our plant at any time and change our present procedure unless this is in effect.

Very truly yours,

J. M. OELAND
Treasurer

jmc-m
cc: Mr. C. W. Kable, Jr.
Mr. Minot K. Milliken
Mr. Roger Milliken
Mr. C. L. Watford

General Counsel Exhibit B-25

DEERING, MILLIKEN & CO. INC.

DATE: June 18, 1956

TO: Mr. J. M. Oeland

FROM: E. F. Flanigan

Mr. Nielsen would like to see a salary expense category added to the salary classifications on the expense detail sheet of the financial statements. Attached hereto is a copy of his memo on the subject.

If you are in favor of adding this category in your mill, we would appreciate hearing from you.

[HANDWRITTEN]

Bill Hawkins: Do you have any suggestions. Return for reply. JMO

I believe that in breaking out this item of cost separately there would always be a question between mills as to whether the trainee was doing necessary work as purely trainee duties. In the case of Ind. Engr. trainees, they would learn by doing actual studies but this interpretation might be very broad and therefore reflect on the mills' Ind. Engr. cost unrealistically.

WSH

General Counsel Exhibit B-25

[LETTERHEAD OF]

PACOLET MANUFACTURING COMPANY,

Pacolet Mills, S. C.

Date: June 15, 1956

To: Mr. E. F. Flanigan

From: Nils O. Nielsen

Subject:

At practically all of the Deering Milliken mills at the present moment we have a category of employees that you might term "Supervisory Trainees." For the most part these are college graduates who work in the various departments in the mill. Sometimes they are actually working a specific job and are replacing an actual production employee. At other times they are in the mill as additional help and merely learning. At other times they work in the Industrial Engineering section. All of these employees are hourly paid employees.

At the present time I believe the accounting policy as far as what particular category of labor to charge them to varies drastically between mills. I think for the most part they are either buried in Industrial Engineering or charged to the department they happen to be working in at the time.

We would like to see a new category, preferably under the salary classification (even though they are not salaried employees) entitled "Supervisory Trainees." This could be typed in on our financial statements as there are a couple of blank lines at the end of that salaried category. We do not feel that we should go ahead with this, however, without

General Counsel Exhibit B-25

all mills being consistent, as we realize there are certain comparisons made between mills, including the photostatic comparisons that you make. We do think, however, that this figure has become significant enough to have it broken out on the financial statements. If the other mills agree, I would suggest a policy of charging these employees to the supervisory trainee account only when they are not actually replacing a production employee. If they are actually running a job in the mill, then they should be charged to the appropriate production job, but if they are merely learning in the mill and not replacing a job, or if they are working in Industrial Engineering on a training basis, then I think they should be charged to this new account.

I would appreciate it if you would give me your comments on this, and if you deem it advisable, then I guess the next step would be for you to check the various mills to see whether they are in agreement.

You might note that on our last two financial statements we did break supervisory trainees out in the salaried category, but this was done without my knowledge and we are reclassifying next period to eliminate this account. I am making this elimination merely for consistency between mills, but as stated above, we would like to see it broken out in the future.

Nils

General Counsel Exhibit B-26

June 22, 1956

Mr. E. F. Flanigan
Deering Milliken & Co.,
New York, N. Y.

Dear Mr. Flanigan:

We have discussed your letter of June 18th with copy attached of Mr. Nielson's letter of June 15th. We note that Mr. Nielson feels it would be well to show in a separate category supervisory trainees on our period statement.

We here at Darlington will be glad to cooperate in the majority's opinion of pulling out and showing separately the cost of this group. On the other hand, it is our opinion that we would rather leave it as it presently is and charge it to the department where the particular trainee is working. If we do not show the cost against the department the tendency is very often to consider this man as a trainee and not make him earn his way. As long as it is added up against the cost of the particular department and this cost is compared to a standard it has a good psychological affect. We further feel that our cost of industrial engineering should be realistic and not be a catch-all for an item of this nature.

The opinions we have given are, of course, our opinions. and again I would like to say that we will cooperate with the majority.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. W. S. Hawkins

General Counsel Exhibit B-27

DEERING, MILLIKEN & CO., INC.

DATE: October 28, 1954
TO: Mr. J. M. Oeland
FROM: A. L. Turnowski
SUBJECT:

In preparing authorization requests for additions to or replacements of parts of existing units, will you please note the remaining life of the unit to which the addition or replacement is to be applied.

This information will save our having to write you and also expedite the processing of the requests.

ALT:ph

(*Hand Written*)

Bill—

Will you prepare authorization for new * * * and second hand lathe. Thanks—

JMO

General Counsel Exhibit B-28

DEERING, MILLIKEN & CO. INC.

DATE: September 5, 1956
TO: Mill Office Managers
FROM: E. F. Flanigan
SUBJECT: *Merchandise Dispute Chargebacks*

Mr. Minot K. Milliken addressed a memorandum to mill treasurers and managers under date of July 27, 1956 which described a change in practice with respect to charge back to mills of billings which become the subject of merchandise disputes. The practice effective August 6, 1956 calls for charging back, as of the maturity date of a billing, items that involve merchandise disputes; with the provision that if the dispute is ultimately settled in favor of the mill, the item will be reinstated as of its original maturity date.

There is a question as to how the chargebacks should be handled in the mill accounts and the procedure adopted by the fine goods mills seems to be the procedure which should be followed throughout the Deering, Milliken group.

The handling in the New York office involves the following:

1. Request for credit memorandums prepared by credit department on billings involving merchandise disputes as the disputes become known to the department.

2. Credit memorandums prepared by billing department following receipt of approved requests therefor. Special handling applies to assure that no copy of credit goes to customer.

3. Credits go through current day's billings and reduce the net credit to current accounts of mills involved.

General Counsel Exhibit B-28

4. Sales statement in future will contain summary of credits and rebillings on merchandise dispute items to flag items for special handling in mill accounting.

5. Weekly listing of merchandise dispute items charged back to mills is prepared by accounts receivable department for credit manager, treasurer, etc. for follow-up on unsettled merchandise disputes. In other words, while the items are off DM's books, they are still subject to the same review and follow-up as are regular receivables.

The important thing in the New York office handling is to see that the procedure is simply a bookkeeping routine for getting dispute items off the books and charged back to the mills without the customer learning in any way that this step has been taken.

It seems that there should be caution exercised at the mills to see that settlements with customers are not jeopardized by the bookkeeping routine that has taken place. For example, if auditors desired to confirm outstanding amounts at the year end, it would seem that the confirmations should be handled as if the items were actually carried on DM's books—so, a special audit approach would seem to be required. We will review that point with Andersen (New York) before the year-end work is undertaken.

The mill accounting which has been decided upon by the fine goods mills involves the use of a special receivable account and a related valuation reserve. The DM charge-backs are charged to a receivable control "Accounts Receivable—Merchandise in Dispute" and based upon review with the mill manager, provision is made for the possible loss on the transaction in an account "Reserve for Possible

Loss on Accounts Receivable Merchandise in Dispute". For financial statement purposes the net of the two accounts are reflected as accounts receivable. This special procedure seems preferable to normal procedure under which DM chargebacks would be debited to sales or return sales and the goods taken back into inventory, since the transactions are still in process of settlement through arbitration, etc. with the customers and may be settled in favor of the mill or settled with a partial allowance to the customer, and it is recommended that all mills adopt this procedure.

The detailed procedures as outlined to the fine goods mills office managers were as follows:

1. There shall be added to the chart of accounts and set up on the general ledger, the following accounts:

   14.51—Accounts Receivable—merchandise in dispute.
   14.52—Reserve for possilbe loss on accounts receivable merchandise in dispute.

2. If a chargeback is made by Deering, Milliken under the policy stated above the amount of the chargeback shall be debited by way of the journal entry by which you journalize the DM current account, to account 14.51. You shall set up a work sheet in the permanent work papers in which there is full reference to such debit and shall enter on the permanent work sheet the pertinent detail in full, such as customer's name, credit number and date, yards, style, billing price, etc. of the invoices reversed by the credit. This work sheet shall be the detail supporting the control account 14.51.

3. You shall discuss with your manager the maximum loss which the mill could sustain if the arbitration or dispute

is settled in favor of the customer. There will be considered the liquidation value of the goods covered by the credit. An amount will be determined representing the difference between the amount set up in 14.51 and the mill's best estimate of the net realizable value of such goods and this amount shall be set up by journal entry as a debit to cloth sales and a credit to account 14.52.

4. For statement purposes there shall be listed as accounts receivable the net of accounts 14.51 and 14.52.

5. When the dispute is resolved Deering. Milliken will make the appropriate debit or credit entries through the account sales and this will enable you to clear out the corresponding item in account 14.51 and 14.52.

6. At the end of the fiscal year a review will be made of the net valuation at which the disputed items are carried and if so necessary, a further reserve will be set up in account 14.52.

EFF:JS

General Counsel Exhibit C-1

PRINT CLOTH
FOURTH & FIRST QUARTER

November 10, 1955

PRINT CLOTH				PRICE	MILL
36"	5.75	64x60		14¢	Lock.
38½"	5.35	64x60		15¢	Mon.
38½	6.25	60x48		12-7/8-sel.13-1/8¢	Gaines.
38½"	6.85	56x44		11-3/4¢	Gaines.
39"	4.00	80x80		20-1/4¢	Mon.
39"	4.00	80x80		20¢	Gaines.
39"	4.27	80x72		19¢	Mon.
39"	4.75	68x72		17¢	Lock.
40"	4.00	80x80		20-1/4¢	Mon.
40"	5.30	64x56		15-1/8¢	Mon.
40"	5.15	64x60		15-5/8¢	Mon.
WIDE GOODS					
45"	4.65	64x60		17¢	Mon.
45"	4.75	64x56		16-5/8¢	Mon.
45"	5.35	60x48		14-5/8	Mon.
43"	3.62	80x80		22-3/8¢	Gaff.
BROADCLOTH					
37"	4.10	100x58		19¢	Gaff.
37"	4.00	100x58		19-1/4¢	Gaff.
37"	3.85	112x60		~~20-1/2¢~~	Darl. 20 3/4
40"	3.70	100x58		20-1/2¢	Gaff.
40"	3.78	100x58		20-1/4¢	Gaff.
40"	3.33	109x58		22-3/4¢	Darl. ✓
40"	3.65	100x58		21-3/4¢	Gaff.
40"	4.55	80x56		16-5/8¢	Lock.
45"	3.29	100x58		23-1/4¢	Gaff.
46"	2.89	109x58		27-1/2¢	Gaff.
POPLINS					
37"	3.65	112x46		21-3/4¢	Darl. 21 1/4
*37"	2.80	112x46	S/D226	26¢	Darl.
*37"	2.80	112x46	218	26¢	Darl. ✓
37½"	3.90	99x44		18-3/4¢	Darl. ✓
40"	3.00	109x46		24-1/4¢	Darl. 24 1/4

These numbers will be sold on a contract basis only, with a minimum of a ten week run.

POPLIN'S CONT'D				PRICE	MILL
40"	2.70	86x42		26-1/2¢ 26 1/2	Darl.
*40"	2.60	112x46	S/D 226	28¢	Darl.
*40"	2.60	112x46	S/D 218	28¢	Darl.
*41"	2.55	112x46	S/D 218	28-3/4¢	Darl.
*41"	2.55	112x46	S/D 226	28-3/4¢	Darl.
44"	2.35	112x46		31-1/4¢	Mon.
45"	3.30	99x44		Do Not Quote	Gaff.
MISCELLANEOUS					
27"	3.37	68x72	tubing confined	29-1/2¢	Gaines.
30"	4.00	104x76)	Ticking	20¢	Gaines.
34½"	3.48	104x76)		23-1/2¢	Gaines.
38"	3.16	104x76	Ticking	25-1/2	Gaines.
39"	4.17	80x76		Do Not Quote	Mon.
*38"	3.20	116x84	Pique	26-1/2¢	Darl.
*39"	3.50	104x76	Narrow Wale Pique	23¢	Darl.
*40"	3.25	105x84	Waffle	26-1/2¢	Darl.
39"	4.00	80x80	Paj. Chk.	20-1/2¢	Lock.
39"	3.65	88x88	Paj. Chk.	22-1/2¢	Lock.
39"	4.20	80x48	Oxford	~~18-3/4¢~~ 18 1/2	Darl. ✓
39"	3.30	84x44	Oxford	22-3/4¢ ✓	Darl. ✓
40"	2.70	86x42		26-1/2¢ 26 1/2	Darl. ✓
40"	3.33	109x58	2x1 Twill	Do Not Quote	Darl.
41"	3.15	84x44	2x1 Oxford	~~24¢~~ 24 1/4	Darl.
47"	3.95	72x68		Do Not Quote	Lock.
48"	3.25	80x80		Do Not Quote	Gaff.
45"	4.03	72x68		Do Not Quote	Lock.
48"	4.12	64x56		22-1/2¢	Gaff.
48"	5.06	56x52		18-3/8¢	Gaff.
50½"	6.56	40x36		13-1/4¢	Gaff.
51"	4.70	60x48	18-1/2¢ reg.	18-3/4¢ sel.	Gaff.
51"	3.08	80x80		28-1/2¢	Gaff.
51"	6.47	40x36		13-1/2¢	Gaff.
55"	2.73	80x80		33-1/2¢	Mon.
58"	4.15	56x52	22¢ reg.	22-1/2¢ sel.	Mon.
81"	3.20	54x48		27¢	Gaff.
86"/87"	3.00	54x48		30¢	Gaff.

81" 3.35 52/48 25½

General Counsel Exhibit C-5

DATE: June 10, 1955

TO: All Salesmen.

FROM: A. J. May and A. A. Wright

SUBJECT: WEEKLY SALES MEETING—June 9th

The following is a resume of the subjects discussed at our Weekly Sales Meeting held on Thursday, June 9th:

* * *

4. Mr. May—We are going to be installing 251 new 46" looms at Monarch. There has been some discussion on the possibility of making a 46½" 64/104 and 64/80. We have an expression from Mr. Hahn that most people are buying it finished. However, it was brought out that Kenmill and Eddington Fabrics divion of Lowenstein, buy it in the griege. Mr. Shaw then stated Simpson were looking into this picture.

   Mr. May asked everyone to pass any information along they could obtain on this so we can figure the potential on this and see if it would be worthwhile making.

   Mr. May—Also the possibility of making 45" pocketing twills is under discussion. The general consensus of opinion is it would be a natural and there might be a good potential in a pro-rata to the 39" 4.25 68/76. Paul Stolberg is checking the market to be sure what the price would be and to see whether the pocketing twills, or filling sateens would be the most productive to the mill.

   We will then be able to advise the mill what to put on these looms.

General Counsel Exhibit C-5

5. Mr. Miller—All of the mill treasurers want it clearly understood that we should not use our Récheck information for selling customers on our quality as against competition. In other words, do not tell or show specific details on majors and minors in our goods as compared with theirs.

6. Mr. Wright—We have had inquiries from time to time on filling sateens, but Pacolet has not wanted to run them because the yarn numbers do not fit into their picture. However, in the future if you get any inquiries, please submit them to Mr. May as one of Print Cloth Mills, as mentioned above, may be interested in running them. We have run the warp sateens at Pacolet, but not the filling sateens.

General Counsel Exhibit C-6

DEERING, MILLIKEN & CO., INC.

DATE: December 13, 1955

TO: All Salesmen

FROM: A. A. Wright
A. J. May

SUBJECT: WEEKLY RESUME OF SALES MEETING

Herewith is a resume of the points covered in our Weekly Sales Meeting held on Monday, December 12th:

1. Gaffney Mfg. Company—R. Salmon

Our stock sheet last Friday showed 106,000 yards of 37" 4.00 100/58 broadcloth which we sold to Cranston Print Works at 19½¢. We had wanted a higher price, but the mill was anxious to work with Cranston on this sale.

We also lost an order from Stone Mfg. Company on 37" 4.00 100/58. They bought these goods at 19½¢ for first quarter, and 19¼¢ for second quarter, however, we were asking higher prices. We are not anxious for first quarter business, because of the blend situation but should you have any second quarter interest, please submit any bids, which are reasonable.

We would like to remind everyone of the stock of rayon and cotton blend of 37" 100/58. and 39" 4.00 80/80. Mr. Norton wrote to us calling our attention to the fact that if we do not get some additional cotton and rayon

business, he will have to cut back production which we certainly do not want to do.

* * *

3. Darlington Mfg. Company—Eliot Miller

The situation at Darlington is such that we are anxious to look at bids for fourth, first and second quarter. We have had a few inquiries on the 80/72 construction in various widths, and have obtained prices from Mr. Oeland as follows:

39" 4.27 80/72 — 19½¢
40" 4.16 80/72 — 20¢
37½" 4.45 80/72 — 19¢

We would like to make a decision as to whether we will put looms on the 80/72 construction or possibly the 80/80 sometime today. Please everyone contact all your customers who might have interest in this number.

General Counsel Exhibit C-7

March 6, 1956

Mr. J. M. Oeland—Darlington CC: Mr. A. J. May
Eliot Miller

LOOM & STOCK REPORT

We received your loom and stock report for the week ending March 3, 1956 yesterday, Monday, March 5th, and we find it to be a great help to have these the first day of the week and hope that we can continue to receive them in the first mail on Monday.

On this one just received, we notice that the last order received by you was on #7696 which was an order taken last Thursday. If it is possible for you to prepare these reports with information about sales through the end of business on Thursday without extra expense to you by having people work on Saturday who would not normally work, everything would be fine. However, if you have to have someone work on Saturday in order to do this, perhaps it would be better if we sent you information by teletype Thursday evening. We suggest that we could do the following to try to give you complete information so that you will be sure to have the information in time to give us the loom and stock report by Monday morning.

* * *

Unless we hear from you to the contrary, we will begin this teletype on Thursday March 8th. We trust this will work out satisfactorily to our mutual benefit and if you have any suggestions as to some other way to accomplish this to insure the Monday receipt of your report, we will appreciate it.

EM/am

P.S. The above system is working very satisfactorily with Monarch, Lockhart, Ottaray and Gainesville.

General Counsel Exhibit C-9

November 30, 1955

CC: Mr. A. J. May

Mr. J. M. Oeland, Darlington

Eliot Miller

81" 3.35 52x48

You have contracts with deliveries starting in January and running through June for two customers on the 81" 3.35 52x48.

As you know, Gaffney has been making an 81" cloth for some time and I thought it might be well for you to know that they have had some trouble with the cloth splitting, during finishing, in the middle of the cloth at the place where the warp ends make a heavy place in the middle of the cloth.

Before starting to run this cloth, which I think you have scheduled for late December, it might be well for you to talk with Mr. Norton and Mr. Rankin at Gaffney to determine what their problem has been in weaving this cloth which might save you some headaches when you start running it.

ELIOT MILLER

EM/pp

General Counsel Exhibit C-12

September 7, 1955
Mr. J. M. Oeland
A. J. May

This acknowledges receipt of your letter of August 31st. wherein you may recommend purchasing from Lockwood—28 Draper automatic 54" model X-2 looms and 56 48" looms of the same model. In my opinion of the two widths I would only consider the 58 48" looms, although 46" would be preferred.

Having these wider looms no doubt would make you more versatile, provided you have sufficient spinning to take care of these additional looms and that you are able to obtain them at a good price.

At present, there are three fabrics currently run at Darlington on 40" looms that are being woven in wider widths on 46" looms at Gaffney and Monarch Mills.

28 looms 45" 3.30 99x44 Poplin—Gaffney
40 Looms 46" 2.89 109x58 Broadcloth—Gaffney
100 looms 44" 2.35 112x46 Poplin—Monarch

Of these fabrics the 112x46 Poplin (Rib) at 31¢ per yard might fit into your picture provided sales could be made for 1st quarter delivery to the extent of 56 looms over and above the 100 looms now on at Monarch—please check with Mr. Sibley. As to the 46" 2.89 109x58 we still have, 4th quarter production, unsold.

Mr. Clausen is also checking on both the 54" and 48" widths for industrial end use.

AJM:BS
cc: Mr. R. Salmon
Mr, Clausen
File ✓

General Counsel Exhibit C-13

DEERING, MILLIKEN & CO., INC.

DATE: April 3, 1956

TO: Messrs. J. J. Norton, Jr.—Gaffney
J. M. Oeland—Darlington
W. A. L. Sibley—Monarch
M. C. Stone—Pacolet

FROM: A. J. May

SUBJECT: TAR SPOTS

Mr. Shotwell is negotiating at present with M. Lowenstein & Sons on a complaint covering approximately 52,000 yards of Monarch 39" 4.00 80/80 containing tar spots, at Yates Finishing Plant for plain shades. The customer has requested 1¼¢ per yard credit, which they claim is the usual rebate for refinishing these goods. We do not want to establish a precedent by issuing a credit for tar spots, but we hope to settle this claim by giving an allowance on the basis of classifying the goods as seconds.

* * *

It is possible that this tar spot situation might get worse, and that Deering Milliken could effect a tremendous loss, especially if there is a decline in the market. So it is most important that we come to some understanding, and if possible, establish a policy.

We would appreciate your comments on the above.

AJM:GM
copies: Mr. Roger Milliken
Mr. Winston Garth — Gainesville
Mr. J. T. Shotwell
Mr. T. D. Truluck — Cotton Dept., Monarch Mill

General Counsel Exhibit C-14

DEERING, MILLIKEN & CO., INC.

DATE: August 1 1956
TO: Mr. J. M. Oeland—Darlington
FROM: A. J. May
SUBJECT:

* * *

Mr. Manes also informed us that he is actively working on standard 39" 4.00 80/80 in his Tex-Trends Division, and the goods are finished at Hartsville.

With our large production on 109 warps, and with the whims and demands of the market, it occurs to me that we should seriously consider having a block of looms on 80/80 so that Deering Milliken can sell a standard make 80/80 along with Monarch 80/80, which we are endeavoring to put in the premium class and ask comensurate prices.

Please advise.

A. J. MAY

AJM:GM
cc: Mr. Eliot Miller
Mr. R. V. Moore

General Counsel Exhibit C-15

BULLETIN

DATE: December 28, 1954

TO: All Salesmen

FROM: A. A. Wright
A. J. Dillard, Jr.

SUBJECT: *Mill Trips*

We are working on a program for the salesmen visiting our mills with customers, whereby the customer will get little better information and will be more impressed with his visit to our mills than he has in times past. Heretofore, we have hurried them through the mills, and made more or less of a social affair out of it.

We now intend to set up space whereby we will have greige goods and finished goods from all of our cotton mills. We might also possibly have samples finished and greige from our synthetic mills. We will then have the customer sit down in a round table and have a discussion with our mill men and certain technical men. We will bring out in this talk, the quality we are making in each mill etc.

We are attaching herewith a letter to Mr. Sibley dated December 6th from Mr. Harry Defore. You will note from this letter that the mill, and Mr. Defore will require certain information regarding each customer prior to his visit to our plants.

Also from Mr. Defore's letter you will note that the customer, during the discussion at the round table, will have an opportunity to make statements regarding certain qualities, etc.

General Counsel Exhibit C-15

We believe in proceeding in this manner with the customer, he will get a great deal more from his trip to the mill than he has in the past.

If anyone of you has any suggestions regarding such an arrangement that would be helpful, or different to what is already outlined, we would appreciate hearing from you at once. We would like to get this into operation as soon as possible.

GM

General Counsel Exhibit C-16

COPY

COTTON DEPARTMENT

DEERING MILLIKEN SERVICE CORPORATION
Union, S. C.

DATE: December 6, 1954

TO: Mr. W. A. L. Sibley

FROM: Harry Defore

SUBJECT: Proposed Program for Customer Visits

After reading the memorandum from Mr. Dillard to Mr. Milliken dated 11/18/54 and the one from Mr. Milliken to you dated 11/29/54, I offer the following as a starting point for such a program. We would appreciate suggestions for additions, deletions or modifications.

1. —Information from Sales prior to the visit if possible but from the accompanying salesman if not possible.

   a—Name of customer and firm represented

   b—Nature of customer's end uses

   c—Constructions purchased by customer and other constructions in which we are trying to interest him.

   d—Special features that Sales is trying to sell this customer such as wider widths, etc.

   e—Nature of customer

      1—Price or quality buyer

      2—Previous complaints if any

General Counsel Exhibit C-16

2. —Statement by customer as to:

a—The three leading makes of his constructions and why

b—His opinion of our quality and why

c—Actual ranking of several competitive qualities of fabrics

d—The influence of the following on his opinion of quality and his preference in buying:

1—Grey goods color

2—Grey goods leaf

3—Neps or dead fiber

4—Dyeing characteristics—ease of

5—Cover

6—Yarn Uniformity

7—Slubs and gouts

8—Thick and thin places

9—Broken picks and ends out

10—Flats and wrong draws

11—Physical properties

a—Strength

b—Tearing resistance

c—Thickness or guage

d—Selvage width

12—Packaging

General Counsel Exhibit C-16

3 —Aerial views Deering Milliken-Mills

4 —Display finished and grey goods (any other than cotton?)

5 —Our program for quality maintenance and improvement

a—Raw materials selection

b—Pilot Plant and processing research

c—Machinery research and product development

d—Manufacturing

1—Personnel selection

2—Personnel training

3—Machinery purchasing

4—Machinery maintenance and inspection

5—Quality Control

6—Point System of grading

7—Re-check department

6 —Comparison of Re-Check results ours vs. competition on constructions of interest to customer.

7 —Offer of liaison between D. M. and customer staff departments to improve competitive position of both.

8 —Questions, comments or suggestions from customer.

HLD/mn

General Counsel Exhibit C-17

DEERING, MILLIKEN & CO., INC.

DATE: January 27, 1955

TO: Mr. J. M. Oeland—Darlington Mfg. Co.

FROM: A. J. Dillard, Jr.

SUBJECT:

As you know we plan to set up a room at Monarch to display finished and greige goods from various Deering, Milliken Mills. Recently Stein-Tex returned to you about 2,000 yards of finished 40" 3.33 109x58. Do you think there is a possibility of getting enough yardage out of this that would look good.

We hesitate doing this, but if you feel you can get a piece about five feet long we will not bother to get finished samples right now.

JEFF

AJD:em

General Counsel Exhibit C-18

August 21, 1956

Mr. J. M. Oeland—Darlington

A. J. May

Please be advised, we are planning to revise our Annual Sales Meeting this year. In its stead, we plan to have a meeting consisting of mill managers, and the New York mill merchandisers, together with appropriate salesmen. These meetings will begin on Tuesday, September 25th thru the 27th.

We have specifically assigned Darlington Mfg. Company to Wednesday, September 26th, in the morning. We would appreciate your advice as to whom from your mill you would like to attend with you on this date. (10:00 a.m.)

AJM:GM
cc: Mr. J. C. Harris
Mr. E. E. Miller
Mr. J. T. Shotwell (Quality
Mr. Billy Davis (Control

Respondent Exhibit C-1

August 6, 1956

Mr. A. J. May
Deering Milliken & Company
New York, N. Y.

Dear Al:

I note the reference in two recent letters to your recommendation that we consider putting more looms on 80 sq. as several customers have mentioned the fact that our freight rate as far as the Hartsville Finishing plant is concerned will have advantages to them.

We have discussed previously with you the fact we cannot put additional looms on a slow pick style without throwing us very much out of balance. We are presently out of balance and all departments other than the weaving have experienced some short time the last several weeks. From a manufacturer's point of view this is a bad set-up as one finds invariably supervision will not send out help when they should, and thus it increases our costs. The best way to get the most out of any plant is to keep it balanced and all departments running full time.

We are waiting for the installation of our 50" looms and the styling up of these looms. We will feel very relieved when we can line up the sale of production from some of these looms. The style that they are put on will materially affect the balance in our plant. You remember that we discussed at one time the possibility of Cone purchasing our 108x52 poplins. This construction carries 12's filling with a fast pick and uses up poundage of

Respondentn Exhibit C-1

filling very rapidly. On the other hand, if the looms were styled on an 80 sq. yd. we would necessarily have to buy additional filling spindles and change our balance in the spinning room.

We have discussed with you the other problem we have of going on the 39" 4.00 80 sq., and that is the profit angle. I have suggested to our production and technical superintendents that they plan a program for putting on the 360 X model looms that we have in the plant running at 182 p/p/m this style or one similar to the one we are presently running for Lowell. We would take out all of the direct labor that we feel that we can and see if we will have a better profit picture with the entire room on this style.

We have discussed this matter on previous occasions along the same lines. Since you have brought it out in two of your previous letters I though it might be well to bring out the facts again and let you know our plans. We hope that it will not be too far off before plans can be made to style up our 50" looms and get them in production. The looms have been delivered, the contracted for material is here, and we still plan to have them in production in October.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. Eliot Miller
Mr. J. C. Harris
Mr. W. A. Goodwin

General Counsel Exhibit D-3

DEERING, MILLIKEN & CO., INC.

DATE: February 8, 1955

TO: Mr. J. M. Oeland

FROM: C. W. Kable, Jr.

SUBJECT: Corrected suggested draft of resolution re: Vacation Pay Plan

Enclosed is a copy of the final draft of a resolution which we think will be helpful in enabling all mills to set up proper accruals for vacation pay. There is just one final point that I should like to discuss with you before you make this a part of your final drafting of minutes for the annual meeting. Some of our mills have in the past taken administrative and executive personnel into account in making vacation pay accruals. Others have not done this, but have only accrued vacation pay with respect to mill employees. Of course, we want to get the maximum accrual possible. However, if your original vacation pay plan did not stipulate that you were to take administrative and executive employees into account, and you have since changed the wording, would have to be amended to take that factor into account.

If there is any such aspect to your problem, please do not hesitate to contact me again about this. Thanks.

CHARLEY

CWK:ARM
Enclosure

DRAFT OF RESOLUTION

VACATION PAY PLAN

RESOLVED, that the vacation pay plan of the corporation authorized originally by the Directors on Jan. 16-1945 and amended Jan. 23-1946 is approved for the Plan Year ending March 31, 1955.

FURTHER RESOLVED, that for subsequent Plan years, such vacation Pay Plan of the Corporation is amended to change the eligibility date from March 31 to the preceding December 31. Earnings used as the basis for calculation of vacation pay shall be those reported to the Federal Government for the calendar year, less vacation pay included therein.

General Counsel Exhibit D-4

April 18, 1955

Mr. C. W. Kable, Jr.,
Deering Milliken & Co.,
New York, N. Y.

Dear Charlie:

You will find enclosed the revised minutes of the meetings of the directors and stockholders held on January 24th. As suggested by Bob Netter we would appreciate your going over these and making any further corrections you advise, and return to us for final draft to be put in our minute book.

In your letter you raised the question as to whether we included administrative and executive personnel in making our vacation pay accruals. This has not been done here and we are only charging to the accrual we make the vacation pay of wage employees; all salaried employees receive their vacation and are paid at the time they are away from work, which is not true of the wage employees.

Very truly yours,

J. M. OELAND,
Treasurer

jmo-m

General Counsel Exhibit D-5

240 CHURCH STREET
NEW YORK 13, N. Y.

May 2, 1955

Mr. J. M. Oeland
Darlington Mfg. Co.
Darlington, S. C.

Dear Jim:

Please excuse my failure to answer yours of April 18 at an earlier date. The following are my observations regarding it, as well as the minutes of the directors' and stockholder' meetings which were held in January:

Regarding administrative and executive personnel which might be included in the vacation pay accrual, this idea has in my opinion been badly crimped by the Treasury Department's insistance that the entire reserve for estimated expenses sections be retroactively deleted from the Internal Revenue Code. Therefore, for the present, I cannot recommend any change in your method of calculating and accruing your vacation payroll.

As to the minutes, they do not appear to include an election of directors. This may be perfectly all right under the by-laws, if they provide that directors continue in office until their successors are named by the stockholders. Another point in connection with the minutes' refers to the lack of any reference to the incentive compensation contracts, which I think should be approved by the stockholders at least.

General Counsel Exhibit D-5

Otherwise, these minutes appear to include everything we can think of which should be taken into account at the annual meetings.

I am returning the copies of the minutes herewith so that necessary elections and additions, if necessary, may be made.

Kindest regards,
CHARLEY
C. W. Kable, Jr.

CWK:ARM

General Counsel's Exhibit D-9

January 31, 1956

Mr. C. W. Kable, Jr.,
Deering Milliken & Co.,
New York, N. Y.

Dear Charlie:

We appreciate very much your letter outlining some suggested changes in the minutes of our directors' and stockholders' meetings held January 17. You will find enclosed copies of these minutes with the alterations suggested. We will appreciate a letter from you as to whether you approve of the new draft.

I have deleted from the minutes the question of Mr. Truluck's incentive bonus. This was put in at the suggestion of Mr. Milliken. Perhaps he did not realize that the bonus in question was paid through the D. M. Service Corporation. You, perhaps, are getting copies of minutes of other D. M. mills, and should you feel after reading theirs that we should cover this incentive bonus in our minutes we can make corrections according to your suggestion.

Very truly yours,

J. M. Oeland
Treasurer

jmo—m

General Counsel Exhibit D-10

DEERING, MILLIKEN & CO., INC.

DATE: July 31, 1956

TO: Mr. J. M. Oeland

FROM: C. W. Kable, Jr.

SUBJECT: Darlington Manufacturing Company
Deering, Milliken Mills Retirement Plan

Following a meeting of the Pension Committee of the Deering, Milliken Retirement Plan recently, an amendment to the Retirement Plan was recommended by the Pension Committee to the Boards of Directors of all participating corporations. The amendment concerns two specific items.

First, it provides a third option, or election, which may be exercised during the calendar year immediately preceding the retirement of each participant of the Retirement Plan whereby he may, if he wishes, receive only interest on the total actuarial fund (the company's contribution and his) which has accumulated for his benefit up to age 65. During his lifetime, the interest only on such fund will be paid over to him and charged to him as taxable interest. After his death, his specific beneficiaries may receive this fund without the imposition of estate tax (except to the extent to which the participant has made contributions). His beneficiaries will be required to pay only a 25% capital gains tax with respect to the monies paid over to them by the trustee after participant's death. This tax applies only to the portion of the fund which has been paid in by participant's employer.

General Counsel Exhibit D-10

The other amendment concerns the fact that the other elections in lieu of life annuities available to participants at age 63 may now also be made during the calendar year immediately preceding participant's retirement. In cases of normal retirement, this means that the election must be made during the calendar year immediately preceding participant's 65th birthday.

Please place this proposed resolution on the agenda of the next meeting of the Board of Directors of your corporation. If you have any questions regarding this, please don't hesitate to communicate with me.

C. W. KABLE, JR.
C. W. Kable, Jr.

Enc.

General Counsel Exhibit D-12

DEERING, MILLIKEN & CO., INC.

DATE: March 3, 1955

TO: Mr. J. M. Oeland

FROM: C. W. Kable, Jr.

SUBJECT: [redacted]

Reference is made to your memorandum of February 28 with respect to the termination of Mr. F. P. Mullendore. In accordance with Mr. Mullendore's incentive compensation contract, it is necessary to give him notice in writing of the termination of such contract. If this has already been done, may we please have a copy of the termination letter so that our files may be complete.

Do you plan to put Mr. Stallworth and/or Mr. Hawkins on an incentive compensation basis? If so, please furnish effective date, basic salary and percentage basis.

Charley

MLD:ARM

General Counsel Exhibit D-13

March 22, 1955

Mr. C. W. Kable, Jr.,
Deering Milliken & Company
New York, N. Y.

Dear Charlie:

In your recent letter you called our attention to the fact that we should confirm the resignation of Mr. Mullendore by letter as is outlined in the incentive bonus agreement. This has been done and a copy forwarded to you.

The incentive bonus of 1 per cent which has been received by Mr. Mullendore is to be divided, and one-half of 1 per cent is to go to Mr. W. S. Hawkins beginning February 5, 1955; and one-half of 1 per cent to Mr. W. H. Stallworth, Jr., beginning with February 21, 1955. Mr. Hawkins is our technical superintendent and Mr. Stallworth our production superintendent, and we have decided to put both of them on exactly the same basis. This is the reason, therefore, for dividing this 1 per cent which formerly went to Mr. Mullendore who was our production superintendent. We would appreciate your forwarding to us letters to be delivered to the two men in question outlining this incentive bonus agreement.

Very truly yours,

J. M. Oeland,
Treasurer

jmo-m
cc: Mr. Roger Milliken

General Counsel Exhibit D-14

DEERING, MILLIKEN & CO., INC.

DATE: March 28, 1955

TO: Mr. J. M. Oeland

FROM: C. W. Kable, Jr.

SUBJECT:

Thank you very much for your letter of March 22, 1955, with respect to writing incentive compensation agreements for Mr. Hawkins and Mr. Stallworth. It will be necessary for us to have the annual basic salary payable to each of these men in order to make it a part of their contracts and would appreciate receiving this information from you at your convenience.

CHARLEY

MLD:ARM

(Handwritten)

P. S. Mark "Confidential Do Not Open"

General Counsel Exhibit D-15

DATE: March 29, 1955
TO: Mr. J. M. Oeland
FROM: Roger Milliken

PERSONAL

Next time we get together please talk to me about your letter to Mr. Kable relative to Mr. Hawkins' and Mr. Stallworth's profit-sharing arrangements. I had an idea on this.

L. M.

cc: Mr. C. W. Kable
Mr. M. K. Milliken

General Counsel Exhibit D-16

March 30, 1955

Mr. C. W. Kable, Jr.,
Deering Milliken & Co.,
New York, N. Y.

Dear Charlie:

In the same mail that I received your letter with regard to incentive compensation agreements of Mr. Hawkins and Mr. Stallworth I received a letter from Mr. Milliken suggesting that I discuss the matter with him when we are together. I notice you received a copy of this letter, and we will keep the matter in abeyance until I have some more information at which time I will further discuss with you.

Very truly yours,

J. M. OELAND
Treasurer

jmo-m

General Counsel Exhibit D-17

April 19, 1955

Mr. C. W. Kable, Jr.,
Dering Milliken & Company
New York, N. Y.

Dear Charlie:

We have had some exchange of correspondence with regard to incentive compensation agreement for Mr. W. S. Hawkins and Mr. W. H. Stallworth, Jr. On referring to my letter of March 22nd you will notice that the incentive bonus of 1 per cent which had been received by Mr. Mullendore is to be divided ½ of 1 per cent to Mr. W. S. Hawkins beginning February 5, 1955, and ½ of 1 per cent to Mr. W. H. Stallworth, Jr. beginning February 21, 1955.

We had your letter of the 28th stating that it would be necessary to advise you of the annual basic salary payable to each of these men. They are both to receive $8000.00 per year annual basic salary.

On March 29th I received a letter from Mr. Milliken, copy going to you, stating that he would like to discuss the matter with me when we were together. Last week he was here, and after discussing he agreed that we could go ahead on the basis as outlined above. I would appreciate, therefore, your completing the contracts for these percentage bonuses for the two in question as presently outlined.

Very truly yours,

J. M. OELAND,
Treasurer

jmo-m
cc: Mr. Roger Milliken

General Counsel Exhibit D-18

DEERING, MILLIKEN & CO., INC.

DATE: June 14, 1955
TO: Mr. J. M. Oeland
FROM: C. W. Kable, Jr.
SUBJECT:

Enclosed herewith in triplicate are bonus contracts for Mr. Stallworth and Mr. Hawkins. A copy should be given to each employee; one copy of each may be retained by you, and one fully executed copy of each contract should be returned to us. If you have any questions regarding these contracts, please do not hesitate to get in touch with me.

CHARLEY

MLD:ARM
Enc.

General Counsel Exhibit D-19

July 8, 1955

Mr. C. W. Kable, Jr.,
Deering Milliken & Co.,
New York, N. Y.

Dear Charlie:

You will find enclosed herein signed bonus contracts for Mr. Stallworth and Mr. Hawkins. We are following your suggestion and the original has been retained by each of the above, and the duplicate by the writer.

We appreciate your help in this matter and are sorry it has been delayed.

Very truly yours,

J. M. OELAND
Treasurer

jmo-m
Enc.

General Counsel Exhibit D-20

August 31, 1955

Mr. C. W. Kable, Jr.,
Deering Milliken & Company
240 Church Street
New York, N. Y.

Dear Charlie:

You will note from copy of letter written today to Mr. Stallworth that he has been transferred to D.M.I.E.D. as of August 29th. We are cancelling the contract with him on the incentive bonus as of that date.

On September 5, Mr. W. A. Goodwin is to come to us as production superintendent from D.M.I.E.D. I have an understanding with him that present bonus that is being paid by D.M.I.E.D. to him will be allocated between that department and ourselves up to November 30. On or before that time a decision will be made as to whether he will be covered under the incentive bonus with us. I am writing in order to clarify our position with him until November 30.

Very truly yours.

J. M. OELAND,
Treasurer

jmo-m

General Counsel Exhibit D-21

October 24, 1956

Mr. C. W. Kable, Jr.,
Deering Milliken & Company
New York, N. Y.

Dear Charlie:

I returned today to the office and Bill Goodwin told me about the telephone conversation he had with you yesterday regarding his incentive bonus. At the recent meeting of our board of directors I discussed with Mr. Roger Milliken before the meeting the fact that no contract had been made with Bill for the incentive bonus for the year ending November 30, 1956. I requested Mr. Milliken to allow me to submit to the board of directors a year end bonus for Bill amounting to $2000.00. This was done and our board of directors approved my request. In view of our handling in this way it will not be necessary to complete the contract with Bill Goodwin.

Very truly yours,

J. M. OELAND
Treasurer

jmo-m
cc: Mr. Roger Milliken

General Counsel Exhibit D-23

January 27, 1955

Renegotiation Board
Washington 25, D. C.

Gentlemen:

This is to advise you that in the cases of the following textile mills affiliated with Deering, Milliken & Co. Inc., none of these contractors had any direct or indirect sales during the year ended November 28, 1954, or the month of December, 1954:

Laurens Mills
Darlington Manufacturing Company
Jonesville Products Company
The Hartsville Cotton Mill
Gaffney Manufacturing Company

Very truly yours,

DEERING, MILLIKEN & Co. INC.

C. W. Kable Jr.
Secretary & Assistant Treas.

CWK:ARM

General Counsel Exhibit D-25

DEERING, MILLIKEN & CO., INC.

DATE: March 21, 1955

TO: Mr. J. M. Oeland — Darlington

FROM: C. W. Kable, Jr.

SUBJECT: South Carolina Annual License Tax

We should like to make a study of the effect of the new provisions of the South Carolina License Tax Law on the corporations affiliated with Deering, Milliken. In order to make such study, we should appreciate your sending a copy of your license tax report filed in 1954 and also the one to be filed on or before March 31, 1955.

Your cooperation in this matter is greatly appreciated.

E. W. K.

MLD:ARM

General Counsel Exhibit D-26

DEERING, MILLIKEN & CO., INC.

DATE: June 10, 1955

TO: Mr. J. M. Oeland

FROM: C. W. Kable, Jr.

SUBJECT: S. C. Property Tax — 1955

Your statistics were reviewed with Mr. Smith and his assistant Miss Digby at the office of the South Carolina Tax Commission yesterday. The complaint of the State Tax Authorities was that although it did not appear that Darlington and many other Deering, Milliken mills had any loss in the way of productive facilities all of their assessments were going down, according to our proposals for assessment. I pointed out to the Government representatives that the flaw in the over-all reasoning probably referred to the fact that non-productive retirements, which had not been taken into account in adding to the assessment when taken into the plant were being taken into account in 1955 under their instructions, on the basis indicated in my instruction memorandum to you dated some months ago. It was generally agreed that we were to be allowed to add items of the character indicated in your explanatory notes, which tend to improve the product and not to increase the number of units of product or diversify the mill product. However, since there was a large deduction with respect to non-productive retirements involved in our proposal, it was agreed with the Commission that Darlington's assessment for 1955 be permitted to stand on the basis of 1954 assessment, without change, at $284,200.00. Please advise if this arrangement is satisfactory.

E. W. K.

CWK:ARM

General Counsel Exhibit D-28

DEERING, MILLIKEN & CO., INC.

DATE: April 17, 1956

TO: Mr. J. M. Oeland

FROM: C. W. Kable, Jr.

SUBJECT: South Carolina Property Tax
Darlington Manufacturing Corporation

An extension has been granted to May 31, 1956 in which to file our South Carolina property tax schedules. So that we may review these schedules and allow sufficient time to consider any questions before submitting them to the Tax Commission, please forward a copy of your proposed assessment figures to us as soon as possible.

CWK

ac

General Counsel Exhibit D-29

[Letterhead of]

DARLINGTON MANUFACTURING COMPANY
DARLINGTON, SOUTH CAROLINA

August 24, 1956

Mr. C. W. Kable, Jr.
Deering Milliken & Co., Inc.
240 Church Street
New York, New York,

Dear Mr. Kable:

With regards to the meeting held at Judson last Wednesday, I have checked our records and find that we do not have schedules for property additions and property retirements for the fiscal years 1950, 1951, 1952, and 1953. You mentioned at the meeting that much of Mr. Turnowsky's working papers were turned over to Mr. John DeMarco and were possibly in his files at the present time. It would be greatly appreciated if you could forward these schedules for the four years mentioned provided you can find them in Mr. DeMarco's files.

It was a pleasure to see you again and the meeting was very interesting and very beneficial to me personally, and I am sure it will prove to be beneficial to all the Deering Milliken mills.

I shall be looking forward to hearing from you soon because of the time limit we have in preparing these schedules. Thanking you in advance, I am,

Very truly yours,

C. L. WATFORD
C. L. Watford, Accountant

CLW:rw

General Counsel's Exhibit D-30

July 25, 1956

Mr. C. W. Kable, Jr.,
Deering Milliken & Company
New York, N. Y.

Dear Charlie:

We recently let a contract for preparing the old supply room area for eighty-four 50" looms. This contract covers clearing out the area, putting steel posts in place of brick ones, and steel beams over the old belt alley areas. The cost of this entire job will run around $45,000, $5000 of which is the electrical conduit for the new looms.

We were considering the possibility of trying to expense this entire amount. It is my opinion that we had better capitalize the electrical work amounting to around $5000, and the new flooring amounting to around $10,000. You may remember in our adjustment with the internal revenue agent for 1951-52 we were required to capitalize the new floors in the two weave rooms. It is my feeling that should we go ahead and capitalize the floor in this area we would be in a much better position to defend ourselves for expensing the rest of the work.

I would appreciate your opinion on this question. In a letter I am writing you regarding our year end profits it will be brought out that we will not have any profits after we expense something over $300,000 this year. The larger items of this expense will be: Duo-Roth and Dixon saddles for all of our warp spinning. Re-arranging our E-model looms and putting on 26" loom beams, and preparing the area and installing the new looms. This condition, of

course, will call for many questions by the internal revenue agent. I feel sure they will capitalize part of this but we may be able to keep it down to a minimum if we have some good talking points. I will surely need your help to defend our position and I would appreciate your advice.

Very truly yours,

J. M. Oeland
Treasurer

jmo:m
cc: Mr. Roger Milliken
Mr. K. M. Lowry

General Counsel Exhibit D-32

To: See Below

From: C. W. Kable, Jr.

Subject: *South Carolina Information Returns—Current Year*

Mr. Beattie, the Director of the Income Tax Division of the South Carolina Tax Commission, has written me to advise that the Commission has no intention of requesting further information returns relating to 1955. He states that what they are trying to accomplish is to correct the matter of filing information returns for 1956 and later years. In his letter to me, Mr. Beattie stated in part:

"No branch office or employee has authority to grant permission to use substitute forms. This is all handled in writing from my office. Each publisher or taxpayer desiring to use substitutes for our Form 1202 must secure permission annually in writing.

". . . We list herein the conditions wherein substitute forms are accepted by us. You will notice that one is that they must be on 16 pound paper. One or two of your mills . . . bought the proper substitute forms but retained the copy on 16 pound paper that should have been mailed to us and sent us a different copy on very thin unacceptable paper. So, you see, even the publisher could not have caught such mistakes.

(1) It must show all the information called for on our Form 1202.

(2) It must be marked for South Carolina.

(3) It must be clearly legible.

(4) Given names of female employees must be used.

(5) The form must be printed on 16 pound paper.

(6) It must be accompanied by a summary sheet which is our Form 1201, a pre-punched machine card."

In the light of the above, it seems to me that it would be intelligent for all of our affiliated mills located in South Carolina (A) to purchase their stationery supplies from the same source, first making sure that the source is approved by the State Tax Commission. This might even effect an economy in purchasing; (B) if the 16 pound copies are not uniform throughout, care should be taken to see to it that the State Tax Commission gets the 16 pound copies of the approved form.

Thus, with a little care, it seems that we can continue to live with the South Carolina Tax Commission in this matter without jeopardizing our past excellent relations with them. A copy of this letter is being sent to Mr. H. C. Byrd, so that he may explore the possible economies of arranging for centralized purchasing of forms (even for 1957 if it is too late to accomplish this objective for the current year).

C. W. KABLE, JR.

To:

E. A. Rice
R. L. Collett
P. C. Franklin, Jr.
Katherine Meng
G. Fechtmann
J. E. Hicks
A. E. Lindblom
C. L. Watford
B. E. Burns
N. O. Nielsen
J. A. McArthur
A. C. Sorensen
H. C. Byrd
R. J. Netter

General Counsel Exhibit D-33

January 11, 1957

Mr. C. W. Kable, Jr.,
Deering Milliken & Co.,
240 Church Street
New York, N. Y.

Dear Charlie:

You will find enclosed herewith an itemized list of capital additions that Mr. Kenworthy, the Revenue Agent, is proposing to make for the years 1954 and 1955. You will note I am forwarding a copy of this letter and list to Mr. William Moss at D.M.I.E.D. as requested. Below I am listing some comments on some items which might be helpful to both of you before going further into this matter.

Item 1 (a) We purchased from American Rieter Company new filling roller bearing spindles for all of our filling which included 2" frames of Whitin secondhand spinning installed during the year, and 36 Saco-Lowell frames. In addition we purchased sufficient warp spindles from the same company to install on 20 frames of our Saco-Lowell spinning which was on filling and changed to warp. This was a replacement in the case of all the spindles as the Whitin frames we purchased had filling spindles on them that were discarded.

Item 1 (b) We purchased from Coleman Company sufficient wood oilless saddles and nebs for the entire amount of our spinning amounting to 44,624 spindles. These saddles and nebs were bought in order to improve our quality by less frequent oiling and greasing. I might make this comment: that during 1956 we

purchased Dixon front roll roller bearing which replaced the Coleman saddles and front nebs on about 24,000 spindles. This should give us a good talking point should the Revenue Agent capitali this Dixon equipment in 1956.

Item 1 (g) We purchased from E. F. Rose Company revolving top clearer rollers for our spinning. We previously had on our frames the flat top clearers and purchased this equipment to replace them for the quality of our work.

Item 2. (a) (b) & (c) This covered the cost of tearing down a secondhand spooler we bought and putting it up in our plant, as well as the cost of transportation.

Item 2 (c) This was for the expense of Mr. Toher who was working for us as an engineer to go to Indianapolis to inspect the spooler before purchasing. I seriously question whether this item should be capitalized.

Item 3. We purchased from Gosset Machine Works the change-over parts to be placed on our cards on going to a larger can. This covers merely the change-over parts and does not cover the labor or the roving cans.

Item 9 (a) We replaced our rack controls on our pickers with a pneumatic rack control.

Item 9 (b) Covers expense of two pickers we bought from Hartsville being moved and placed on the floor in our plant.

General Counsel Exhibit D-33

The following items are shown under 1955 additions:

Item 3 You will note this is a replacement of our 9x4½ flyers by 10x5.

Item 5 This covers the cost of new section beams and parts.

Item 5 (b) covers the new loom beam barrels. This was a replacement, and only the cost of materials purchased are shown in the item as we used our own labor to make the change on the looms.

Item 6 We made a contract with Grinnell & Company to replace the sprinkler system in our two weave rooms. On removing one section of this system in the lower weave room we found the condition of the pipe much better than had been anticipated and the sprinkler system was not clogged up with a collection of mud and rust as we had anticipated. We replaced the section that we tore out and cancelled the contract. This covers the replaced section in the lower weave room.

If either you or Mr. Moss have any other questions on the items listed I will be glad to discuss with you. I have covered the items that comprise the biggest part of the additions. It is entirely possible that you have precedents set up at other mills for similar installations that you can use to good advantage in discussing further with Mr. Kensworthy the agent who did the work here.

Very truly yours,

J. M. Oeland
Treasurer

Enc.
jmo-m
cc: Mr. Wm. Moss

General Counsel's Exhibit E-2

February 22, 1955

Mr. P. J. Wilson, Jr.,
Insurance Department
Deering Milliken & Company
New York, N. Y.

Dear Paul:

Recently when Mr. Henry Sloan made a survey of our plant for the wage and hour compliances, he recommended that we give consideration to increasing the hospital benefits of our group insurance. The matter has been brought to our attention by certain of our employees through an overseer. We are writing to know whether changes can be made by us if we decided to increase the hospital benefits, charging the additional costs to our employees. We know that this as an over all group policy, and wondered if there were not some of the mills in the D. M. group that give more liberal benefits along this line than we do here at Darlington. This letter is just to explore the matter, and get from you any information you feel will be helpful. We, of course, would clear the matter with Mr. Roger Milliken should we decide to explore it further.

Very truly yours,

J. M. Oeland,
Treasurer

jmo-m
cc: Mr. Sterling L. Smith

General Counsel Exhibit E-3

BULLETIN !

DEERING MILLIKEN
1955 SAFETY CONTEST

DATE: August 18, 1955

To: Mr. J. M. Oeland—Darlington

FROM: Paul Wilson, Jr., Insurance Manager

Attached are the mill standings at the end of the second reporting period.

A very good overall lost time frequency rate is being maintained at our mills. However, the severity rate has increased 25% over the rate for the 1954 year and 80% over the severity rate for 1952.

A review of several serious accidents indicates that a large percentage of them resulted from employees doing the job improperly.

We believe this can be overcome by making certain that each employee is aware of the inherent hazards of his particular job and that he is properly instructed by the Supervisor on correct job procedure.

It is also important that Supervisors follow-up to make certain that their instructions are being carried out.

CC: Mr. W. H. Stallworth—Darlington

General Counsel Exhibit E-3

3/28/55—6/19/55

GROUP I

Mill Standings	Manhours	Total Accs.	Med. Accs.	Med. Freq.	L. T. Accs.	L. T. Freq.	Days Lost	Sev.	Freq. Last Year	% Change
JUDSON	1,535,826	249	15	9.8	0	0	0	0	1.4	—100
PACOLET	1,403,904	1236	36	25.6	0	0	0	0	4.2	—100
NEW HOLLAND	1,384,401	862	61	44.1	0	0	0	0	.71	—100
DRAYTON	1,154,527	1919	37	32.0	0	0	0	0	.0	0
LAURENS	875,001	529	16	18.3	0	0	0	0	.53	—100
GAFFNEY	769,761	560	20	26.0	0	0	0	0	1.7	—100
LOCKWOOD	509,377	285	26	51.0	.1	2.0	30	.059	2.7	+26
MONARCH	964,305	674	25	25.9	.3	3.1	94	.098	2.5	+24
ABBEYVILLE	1,188,468	426	57	48.0	.4	3.4	87	.073	2.6	+31
GAINESVILLE	906,254	270	33	36.4	.4	4.4	205	.226	1.7	+159
LOCKHART	825,055	1582	31	37.6	.5	6.1	165	.200	.54	+1030
TOTAL	11,516,879	8,592	357	31.0	17	1.5	581	.050	1.7	—12

GROUP II

Mill Standings	Manhours	Total Accs.	Med. Accs.	Med. Freq.	L. T. Accs.	L. T. Freq.	Days Lost	Sev.	Freq. Last Year	% Change
EXCELSIOR #4	512,718	60	29	56.6	0	0	0	0	1.2	—100
JOHNSTON	390,243	62	13	33.3	0	0	0	0	2.0	—100
G. MILLIKEN	389,354	68	20	51.4	0	0	0	0	1.3	—100
MCCORMICK	680,486	96	29	42.6	1	1.5	9	.013	2.2	—32
EXCELSIOR #2	451,358	52	15	33.2	1	2.2	5	.011	7.2	—79
HARTSVILLE	593,494	249	21	35.4	2	3.4	69	.116	7.4	—54
EXCELSIOR #1	428,212	76	42	98.1	2	4.7	2	.005	3.2	+47
OTTARAY	321,698	359	13	40.4	2	6.2	159	.494	1.3	+377
HATCH	455,358	103	33	72.5	3	6.6	122	.268	5.9	+12
DUTCHESS	283,839	10	6	21.1	4	14.1	134	.472	4.9	+188
DARLINGTON	610,313	106	34	55.7	10	16.4	343	.562	11.3	+45
FARNSWORTH	400,043	31	30	75.0	8	20.0	38	.095	14.0	+42
TOTAL	5,517,116	1272	285	51.7	33	6.0	881	.160	5.5	+9

GROUP III

Mill Standings	Manhours	Total Accs.	Med. Accs.	Med. Freq.	L. T. Accs.	L. T. Freq.	Days Lost	Sev.	Freq. Last Year	% Change
COWAN	217,012	9	9	41.4	0	0	0	0	7.2	—100
GAYLEY	179,525	59	4	22.3	0	0	0	0	2.2	—100
EXCELSIOR #3	121,432	6	6	49.4	0	0	0	0	7.9	—100
WOVEN PLASTICS	107,321	17	9	83.9	0	0	0	0	0	0
JONESVILLE	42,233	0	0	0	0	0	0	0	0	0
D. M. EXPORT	29,504	6	2	67.8	0	0	0	0	0	0
D. M. TRUCKING	9,202	2	0	0	0	0	0	0	0	0
KINGSLEY	182,241	19	3	16.5	1	5.5	80	.439	2.7	104
D. M. R. T.	72,594	9	6	82.6	1	13.8	9	.124	26.8	—49
LOCKHART POWER	66,418	7	3	45.2	2	30.1	6073	91.4	0	+100
TOTAL	1,027,482	134	42	40.1	4	4.0	6162	6.165	4.5	—11
GRAND TOTAL	18,061,477	9998	684	37.8	54	3.0	7624	.423	3.0	0

General Counsel Exhibit E-4

cc: Mr. J. M. Oeland
Mr. W. H. Stallworth

Date: March 16, 1955
To: Kate MacFarland
From: Paul Wilson, Jr.
Subject: SAFETY SUGGESTION CONTEST

Last November at the Personnel Managers meeting in Gainesville, it was agreed that we would conduct a Safety Suggestion Contest with a cash award of $200. paid to three employees who submit the best Safety Suggestion for each of three mill groups. The following are the general rules and procedures for all mills to follow as closely as possible although we realize there must be some deviation depending upon the individual circumstances. From the experience we gain during this contest, we ask that you advise us of any suggestion for improving future contests which we might conduct.

The general purpose of this contest is:

(1) To obtain the employees own ideas on how his work or that of his fellow employee can be carried on with less danger of accident.

(2) To stimulate employees interest in safety.

(3) To stimulate employees interest in the affairs of the company.

(4) To secure practical suggestions for improved working methods. We believe efficiency and safety go hand in hand.

In conducting the contest at each mill it should be made clear to the employees:

(1) All suggestions will be given careful and impartial consideration.

(2) Employees will receive some recognition for any suggestion which is used by the company regardless of whether or not they win the big prize. Each mill will pay a minimum of $5. for any suggestion they adopt.

(3) A grand prize will be offered by each mill (suggested—$20. or $25.) for their best suggestion.

(4) All suggestions will be filed for one year for future reference in the event a change is made in the plant and an employee maintains that such change is the exact suggestion he made in the Safety Suggestion Contest.

(5) Every suggestion should be acknowledged by a "thank you" note which also advises the employee that he can contact the Personnel Office as to the reasons his suggestion did not win or be used.

(6) Each suggestion must be dated in case of duplicate suggestions. In the event of a duplication on the same date—the award, if any, will be divided.

The following are the rules and procedures to be followed in this contest:

A. Contest Period

(1) April 1, 1955 through April 30, 1955 is the contest period in which employees will submit suggestions to their mill.

(2) Each mill will determine their best suggestion and send six copies of it to the Insurance Department by May 15, 1955. Any suggestions

received after that date can not be considered. Each entry sent to the Insurance Department must show the name of the employee and the mill and only one entry may be submitted from each mill.

(3) Final winners will be announced during the week beginning May 30, 1955. The committee making the final decision will consist of a representative from each mill group, but not to judge in the group which he represents, a representative from Industrial Engineering Department, Engineering Department and Liberty Mutual Insurance Company.

B. Mill Groupings

(1) All mills eligible for the contest are divided into the following groups and the winning suggestion in each group will be awarded $200. by New York Insurance Department. We have not included the Service Corporation or the Research Corporation because of the nature of their operations.

Group A	Group B	Group C
Darlington	Judson	Abbeville
Gaffney	Drayton	Woven Plastics
Hartsville	Gayley	D. M. Trucking
Monarch	Kingsley	Cowan
Ottaray	Laurens	Farnsworth
Jonesville	Gerrish Milliken	Excelsior
Lockhart	Clemson &	Union
Lockhart Power	Treating	Pendleton
Pacolet	Division	Rutherfordton
Gainesville		Hatch & Union
New Holland		Processing
		Johnston
		McCormick

General Counsel Exhibit E-4

C. Type of Suggestions Acceptable

(1) This is a Safety Suggestion Contest and the idea must be connected directly with a safer operation. Ideas in which the purpose is to save time or money must have a direct bearing on accident prevention. The "Safety" does not only apply to employee injury but the suggestion may also be to prevent continuous accidents which primarily damage the plant or equipment.

(2) The suggestion must be new, practical and useful and the more directly it is associated with improved efficiency or production, the more valuable it becomes.

D. Employees Eligible

All regular employees who are on the payroll on May 30, 1955 are eligible. The following are specific exceptions:

1. Employees who are not paid on the regular weekly payroll.

2. First line supervision (or secondhands.)

E. Operation

1. Each entry must be submitted on an official form.

2. The Insurance Department will distribute these forms.

3. Each suggestion must be signed.

General Counsel Exhibit E-4

F. Administration

(1) The responsibility for conducting each contest will rest with the individual responsible for personnel activities.

(2) A committee of three will judge the suggestions at each location. It is recommended that this committee consist of:

(a) Personnel Manager—Chairman
Plant Manager
Superintendent

The Liberty Mutual servicing engineer will assist any group in evaluating the suggestions but will have no vote on the winners.

(3) All supervisors should willingly assist any employee who comes to them for help in preparing their suggestion. This does not mean to help in developing the idea, but merely the manner of presenting or writing the suggestion.

General Counsel Exhibit E-4

Bulletin Board—Notice

SAFETY SUGGESTION CONTEST

The Deering Milliken Insurance Department has announced a Safety Suggestion Contest beginning April 1, 1955 and ending April 30th. The Deering Milliken Mills will be divided into three groups. ..... Mills is in group .....

A cash award of $200.00 will be paid to the employee submitting the best safety suggestion in each group.

Any employee of ..... submitting a usable suggestion, as determined by his local judging committee, will receive $5.00 and will be eligible to compete for the ..... grand prize of $..... The winner of the ..... contest will compete with the winners from the other mills in group ..... for the $200.00 grand prize.

The purpose of this contest is to stimulate interest in Safety and to secure practical suggestions for improvement.

Official entry forms may be obtained from your overseer who will explain the rules on the entry form and assist you in any way possible.

General Counsel Exhibit E.5

DEERING, MILLIKEN & CO. INC.

DATE: June 9, 1955

TO: T. J. Reemes	— Abbeville	J. M. Edwards	— Johnston
T. N. Hunnicutt	— Clemson	B. C. Stoupe	— Judson
A. D. Strout	— Cowan	R. B. Dozier	— Kingsley
Miss K. Macfarlan	— Darlington	L. O. Pugh	— Johnston
S. W. Nicholson	— Drayton	J. Good	— Lockhart
E. G. Allee	— Ex. Union	H. W. Lawson	— Lockhart Power
H. W. Armstrong	— Farnsworth	J. Morrow	— McCormick
Mrs. W. Coggins	— Gaffney	T. J. Glenn	— Monarch
B. C. Jarrard	— Gainesville	B. R. Turnipseed	— New Holland
C. B. Gentry	— Gayley	J. W. Green	— Ottaray
F. H. Anthony	— Gerrish M.	T. J. Trowell	— Pacolet
C. G. Dedmont	— Hatch	J. B. O'Shields	— Pendleton
Mrs. C. Inglett	— Hartsville	B. R. Magness	— Rutherfordton

FROM: Paul J. Wilson, Jr.

SUBJECT: SAFETY SUGGESTION CONTEST

Please be advised that the various committees selected the following winners in our three safety suggestion contests:

Group A—J. P. Lankford —Hartsville Mill

Group B—Ira B. Mayfield —Laurens Mill

Group C—Geraldine LaChance —Farnsworth Mill
Carrie Garnet —Farnsworth Mill

We were disappointed with the participation in the contest although the winning suggestions seemed very good. In reply to our recent questions, most of you found nothing basically wrong with the contest, but found it just didn't captivate the interest of the employees. More publicity seemed to be the answer since we had only one suggestion for a different type of contest: that being a Safety Slogan contest.

Thank you all for your efforts and if someone has a good idea for another contest, lets hear it so that we can make plans early to insure its success.

PJW/am

General Counsel Exhibit E-6

DEERING, MILLIKEN & CO., INC.

DATE: June 13, 1955

TO: Mr. J. M. Oeland—Darlington

FROM: Paul J. Wilson, Jr.

SUBJECT: SAFETY SUGGESTIONS

Attached you will find the winning suggestions submitted by each mill in the recent Safety Suggestion Contest. We have purposely not identified the suggestions and have condensed them as much as possible by leaving out drawings, photographs etc., which were attached to several suggestions.

We compiled this list so that each mill can perhaps profit by sharing each other's ideas. Keep in mind that these are our employee's suggestions for improvement and each one should be carefully considered for possible use at your plant. I recommend that each suggestion be reviewed at successive safety meetings not only in its present form but by associating it with comparative or similar operations in your plant. Each idea if properly discussed at the safety meetings should at least stimulate thinking on the part of the committee that will improve your present program.

PJW/am

Attached

cc: Mr. W. H. Stallworth — Darlington
Mrs. K. Macfarlen — Darlington

General Counsel Exhibit E-6

SUGGESTIONS	REASONS
A small bulletin board be placed in each department with a blank hazard and housekeeping sheet on it and that all employees be instructed by their supervisor to write on this sheet, as soon as it is noticed, anything that could cause an accident or anything that would help keep the job cleaner.	Chairman of Safety Meetings could make a daily check of this sheet and have the situation corrected before an accident occurred.
All cleavers and switch boxes on all electric lifts be insulated with rubber.	When lightning once hit the corner of the plant, the current contacted the steel structure of the plant, causing a high voltage on lifts in the plant.
If there is an employee having minor accidents, that he or she be put on the Safety Committee as soon as possible.	That by education they will become more safety-minded.
Develop a more efficient method of vacating the plant in case of fire or disaster. This should be done by all departments having designated exits and alternate exits to use for such an emergency.	In a major fire, without proper precautions being taken in advance, loss of life and serious injury could result.
*Overhead rail that brings lap trucks from Picker Room to Card Department should have a signal that is tripped when a lap truck starts down the rail from the elevator lift to the lap storage room.	Employees working in the lap storage room are subject to being struck by lap trucks when no warning has been given that a lap truck is coming down on the rail.
Take the worst accident in the Deering Milliken Plants that happen each month. Have it filmed exactly as it happens, and show it at all plants at safety meetings.	To point out facts of carelessness and hazards of worst accidents.
Position the brake switch on warper within easy reach of the yarn storage release lever.	To eliminate hazard of bumping into the press roll handle and to increase the efficiency of the warper tender.
As jobs improve or new assignments are given, we get new ideas on improving our safety system. To keep our safety methods up to date with	New Ideas that may occur to an individual at any time can be written down and submitted and may be useful in improving our safety system.

(*Winning Suggestion)

General Counsel Exhibit E-6

SUGGESTIONS	REASONS
our changing pace, a Suggestion Box for Safety should be maintained in a convenient location all times.	
*Have a luminous band on all fire extinguishers and portable lights throughout the plant.	In summer months the electricity is knocked out quite often by lightning. This could cause fire, but with bands on extinguishers and lights we could find these things as needed.
Improve the drawing frame shipper handle by placing a red dot on the top of the wheel to clearly indicate when the belt is on the right pulley.	The present handle frequently strikes the operator when the frame knocks off. A blow of this nature on the head or breast could result in a serious injury.
Be careful—A machine runs better when all parts are there. P.S. So does a human.	
Employ a Safety Engineer whose duty is to maintain safety for the employee as well as the company. He should visit the various departments at intervals unknown to the employee, with a constant eye open for poor working conditions, such as insufficient lighting, lack of safety glasses or safety shoes, when needed, use of improper tools, etc. thus keeping the employee alert and safety conscious at all times. A rule should be set by the management whereby any employee receiving three warnings within a year's time should appear before the Safety Engineer for disciplinary action.	If this plan is accepted, the employee should have more safety knowledge and the accidents would be reduced to a minimum.
Give safety record certificates every five or ten years to employees with perfect safety records.	This will eliminate many accidents. Every employee will work to keep a perfect record. They will always be alert for things that cause accidents to themselves and others. This will also keep better housekeeping.
Corners of all tables should be rounded.	To avoid bumping against corners, causing bruises which could become serious injuries.
(*Winning Suggestion)	

General Counsel Exhibit E-6

SUGGESTIONS	REASON
Tagging and marking system—Red Tags for men working on lines or equipment. White tags for neutral ground lines, machinery that is normally off to be checked before closing Mark all air brake switches, all circuit breakers and lines naming same.	One man may open lines or machinery and another have to close because of changing shifts etc.
Give awards similar to the service awards for employees working a given number of years without a lost time accident.	To stimulate interest in accident prevention and safety.
Number all ladders so that anyone who might notice some broken parts, or unsafe condition about ladders could report it by number to the shop to be repaired.	So that ladders could always be accounted for as to their safety.
Each department should supervise and regulate its own safety program with constant check being made on it by the manogerial staff. The following are considered basic for each employee: (a) When going to work in a department an employee should be briefed on the safety regulations. (b) Should be told of hazards of his job and how to avoid them. (c) He should be made to realize that safety is the 100% responsibility of everyone. (d) Quarterly meetings for all employees in each department so that the employee may express his idea. (e) Every employee should notify his supervisor of any new hazard as soon as found and the supervisor should have it corrected or prevent anyone from coming in contact with it until it is corrected.	To prevent accidents to employees and property.

General Counsel Exhibit E-6

SUGGESTIONS	REASON
(f) Horseplay should be subject to disciplinary action.	
(g) Employees should be advised as to what type of clothing they should wear to suit their job.	
(h) Machinery and equipment should undergo alterations so as not to cause unnecessary strain upon the employee.	
(i) All employees should be shown how to cut off any machinery in department, so that in case of an accident he will know how to cut the machine off without having to look for someone to do it for him.	
(j) Transit personnel, should also be briefed on accident hazards.	
(k) Employees should be briefed in first aid at the quarterly meetings.	
Make shipper handle go all the way across on warp compressor, as there is no way of knocking it off if one gets caught on opposite side of warp.	This could safe a life.
*This mill be equiped with an emergency lighting system and also that the mill as a whole be drilled in what they should do in case of an emergency.	When the lighting system failed it threw a group of people into hysteria. The only way out was by feeling which would be too slow and dangerous in case of fire.
Safety signs at points of possible (or past) accidents.	Unconscious pause to read sign may prevent an accident. Examples—HIGH VOLTAGE: WATCH STEP: HANDS OFF.
Triangular mirrors be put at each doorway that lift for trucks use.	So that employees walking and truck operators can see before going around corners or cross doorways

(*WINNING SUGGESTION)

General Counsel Exhibit E-6

SUGGESTIONS	REASON
Suitable storage rack or more suitable space or stocking arrangements be provided to store empty loom beams in Preparation Department.	Beams are stacked too high. Great danger that beams will roll and fall when a person climbs up to secure the hooks of the tram rail to the beam. Also danger of being shocked by electric current in tram rail.
Replace old blow pipes with new lighter pipes and self winding reels. Remove pipes from between closely spaced cards and other machinery having unprotected shafts and pulleys.	Half the time required for use of blow pipe is spent on replacing pipe on spiral or other make shift rack. There will be less danger of pipe rapping around shaft on nearby machinery.
Revision of parking regulations around mill to provide "no parking" area, revised flow of cars, controlled pedestrian walks and pickup and discharge area."	Congested condition in auto and pedestrian traffic at time of shift change will be relieved and safety can be improved.

General Counsel Exhibit E-7

January 14, 1957

Mr. Paul J. Wilson, Jr.,
Deering Milliken & Co.,
New York, N. Y.

Dear Paul:

We have your letter of January 11th with regard to disposition of the mill village houses and the two automobiles we had listed.

The houses were sold at auction to townspeople and a Realty Company. The Dodge truck was bought by Monarch Mills but the car was sold to someone outside of the organization.

Very truly yours,

J. M. Oeland
Treasurer

General Counsel Exhibit E-8

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT

DATE September 13, 1955

COPIES TO:

TO: Messrs. W. A. Goodwin, J. M. Jackson, J. M. Oeland, Roger Milliken, W. A. L. Sibley, and M. C. Stone

FROM: Hal C. Byrd

SUBJECT: Chartered Plane—Lockwood Division

The following is furnished for your information regarding the chartered plane for the Lockwood sale:

Equipment: Silver Falcon furnished by Eastern Air Lines. Capacity, 40 passengers.

Schedule: September 19, 1955

Leave Atlanta:	5:00 A.M. EST
Leave Greenville:	6:00 A.M. EST
Leave Spartanburg:	6:25 A.M. EST
Leave Charlotte:	7:05 A.M. EST
Leave Greensboro:	8:00 A.M. EST
Arrive Waterville:	11:55 A.M. EST

September 21, 1955—Return

Leave Waterville:	5:00 P.M. DST
Arrive Greensboro:	8:40 P.M. EST
Arrive Charlotte:	9:35 P.M. EST
Arrive Spartanburg:	10:10 P.M. EST
Arrive Greenville:	10:35 P.M. EST
Arrive Atlanta:	11:35 P.M. EST

General Counsel Exhibit E-8

Meals: Hot breakfast comprising juice, bacon and eggs, toast, sweet rolls, and coffee will be served on the outgoing trip. A complete filet mignon supper will be served on the return flight.

Insurance: It is our understanding that Eastern Air Lines assumes the same responsibility on this flight as they would on their regular scheduled flight. In the event any of the passengers so desire, they may take out additional coverage with the machines in the air terminals or have a local underwriter supply their desired coverage.
The special executive air insurance carried by Deering Milliken on the key mill personnel will apply on this trip, according to Mr. Paul Wilson of our insurance department in New York.

Manifests: We will supply Eastern Air Lines and Mr. Paul Wilson with a complete passenger manifest on the outgoing charter flight to Waterville showing names of paggengers and company affiliation. On the return trip from Waterville, Mr. Bob Wise will telephone this information to Mr. Paul Wilson prior to departure of the flight.

We will arrange transportation from the Waterville airport to the Elmwood Hotel.

HCB

HCB/mtw

General Counsel Exhibit E-8

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT

DATE September 14, 1955

COPIES TO:

TO: Messrs. W. A. Goodwin, J. M. Jackson, J. M. Oeland, Roger Milliken, W. A. L. Sibley, and M. C. Stone

FROM: Hal C. Byrd

SUBJECT:

Following is the current list of passengers showing where they will board the chartered plane for Lockwood September 19, 1955:

Leave Greenville—6:00 A.M.:

W. A. Goodwin

Leave Spartanburg—6:25 A.M.

Roger Milliken
W. A. L. Sibley
M. C. Stone
Jesse Jackson
Everett Clarkson (Rigger)

Leave Charlotte—7:05 A.M.

J. M. Oeland
Don Hamilton (Dealer)
Pat Hall (Dealer) (up only)
Sam Schwartz—(Dealer)

General Counsel Exhibit E-8

Leave Greensboro—8:05 A.M.

Joe Gillespie (Burlington)
C. E. Dorn (Dan River)
C. M. Vernon (Dan River)

If you have any questions regarding this trip, please call Mr. Bill Collister as I am leaving today for Waterville.

HCB

HCB/mtw

General Counsel Exhibit F-3

[Letterhead of]

DEERING, MILLIKEN MILLS

TEXTILE MACHINERY DEPARTMENT

Date:

To:

Attention:

From:

Subject:

General Counsel Exhibit F-4

DARLINGTON MANUFACTURING COMPANY

DARLINGTON, S. C.

Date: February 28, 1955

To:

Mr. George Asnip	Mr. C. T. Holland
Mr. J. M. Bailey	Mr. W. S. Manning
Mr. George Baker	Mr. J. J. Norton, Jr.
Mr. Marion Beacham	Mr. I. S. Pitts, Jr.
Mr. S. J. Craig	Mr. H. L. Pratt
Mr. Mr. E. DeFore	Mr. G. G. Simmons
Mr. R. C. Edwards	Mr. F. A. Thompson
Mr. L. C. Ellis	Mr. W. E. Thrailkill
Mr. J. A. Ferguson	Mr. A. B. Sibley
Mr. L. J. Fisher, Jr.	Mr. N. A. L. Sibley
Mr. Winston Garth	Mr. M. C. Stone
Mr. E. H. Hines, Jr.	Mr. W. B. D. Stroud

From: J. M. Oeland

Mr. W. H. Stallworth from the New Holland plant started to work with us on February 21st as our Production Superintendent. He took the place of Mr. F. P. Mullendore who has accepted a position with a cotton mill in Douglasville, Georgia.

This is another instance of a promotion within the Deering Milliken mills as Mr. Stallworth was card room overseer at the New Holland plant. Mr. W. S. Hawkins is our Technical Superintendent.

General Counsel Exhibit F-4

We will appreciate very much your making a note of this in order that any matters connected with our oganization can be routed to the proper person.

J. M. O.
J. M. O.

cc: Mr. T. D. Truluck
Mr. R. H. Bush
Mr. Harry DeFore
Mr. K. M. Lowry
Mr. H. E. Williams
Mr. A. J. Dillard, Jr.
Mr. Sterling L. Smith
Mr. R. B. Newton
Mr. E. F. Flanigan
Mr. H. C. Byrd

General Counsel Exhibit F-5

August 31, 1955

Mr. W. H. Stallworth
D. M. I. E. D.
Box 1698.
Greenville, S. C.

Dear Bill:

In your contract dated June 9, 1955, which covers the terms and conditions of your incentive bonus, you will note that the contract is to be terminated at the will of either party in writing.

You were transferred to D.M.I.E.D. on August 29, and I am writing to cancel the contract for your incentive bonus as of that date. You will also note in the contract as outlined, that the amount of bonus during the period that you were employed by us is to be determined by certified public accountants, and a proportion as computed by them will be paid you at a later date. Our accounting year ends November 30, and it is usually in late January before we have the computation made by the auditors.

We will follow with interest your progress in your new work, and certainly hope it will work out to your advantage.

Very truly yours.

J. M. Oeland.
Treasurer

jmo-m
cc: Mr. C. W. Kable, Jr.

General Counsel Exhibit F-6

August 31, 1955

Mr. K. M. Lowry
Box 1698
Greenville, S. C.

Dear Ken:

I had a talk with Bill Goodwin and we have come to an understanding as to his going to work at Darlington as production superintendent. We would like to ask that the transfer be made as of September 5, which is the beginning of our new period.

I would like to express to you my appreciation of your cooperation in this matter. I think Bill feels satisfied about taking up the work here. I made it clear to him that there would be no looking back, and going over your understanding with him if he accepted the job. I am looking forward to working with him and continuing the progress that has been begun in the last several weeks in our plant.

Very truly yours,

J. M. Oeland,
Treasurer

jmo-m
cc: Mr. Milliken

General Counsel Exhibit F-10

April 16, 1956

Mr. K. M. Lowry
Box 1698
Greenville, S. C.

Dear Ken:

You will note from the enclosed that plans have been completed for the dinner to be given the Presbyterian graduating students next Friday. It is my understanding that either you or Charlie Johnson—or both, will plan to attend this dinner. It is my plan to make the matter very informal; to outline for the group our reasons for wanting college graduates in our organization and the opportunities we felt we could offer. It may be entirely possible that this matter could be much better handled by you and Charlie. I will be glad to act as host and turn over to you the matter of presenting the Deering Milliken organization to the group. I wonder if you think it would be well for us to have available any folders, and I am particularly thinking of "Fabric Magic by Milliken" folder put out a year or more ago showing pictures of all the mills and containing information about the organization. I do not have sufficient copies of the folder available, and if you think well of it, I would appreciate either you or Charlie seeing if they can be secured to pass on to the group. By the time I contacted New York I am afraid I would not get them delivered on time.

You will note that we have included in the invitation. Captain James H. Rutledge who Dr. Bellingrath suggested might be interested in civilian employment. He is a graduate

of Juniata College with degree in Business Administration, and according to my understanding has not been interviewed by Charlie. I have certainly had the cooperation of Martin Wallace, and you will note that W. B. Ketchum and Carey Moore, graduates of Presbyterian who work at Laurens will be with us to discuss their experiences with the Deering Milliken group.

Very truly yours,
J. M. Oeland
Treasurer

jmo-m

cc: Mr. C. C. Johnson

General Counsel Exhibit F-12

Deering Milliken Service Corporation
INDUSTRIAL ENGINEERING DEPARTMENT

February 18, 1955

PERSONAL AND CONFIDENTIAL

To: Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

CC: Mr. Roger Milliken

FROM: K. M. Lowry

Subject: Mill Visits for Prospective Graduates from I. T. T.

In accordance with the discussion at our meeting at Drayton yesterday, the I. T. T. boys who are visiting the mills next week will be assigned as follows:

Philip A. Dargie	Gainesville
Lewis C. Doggett	Monarch
William C. Harris	Gaffney
Robert S. Kenyon	Excelsior Union
Frederick P. McKenna	Excelsior Finishing
Marvin C. Robinson, Jr.	D.M.I.E.D.
Charles G. Tewksbury	Abbeville
Raymond W. Thomas	Monarch

It was also agreed that we will offer these boys an annual salary of $5,000.

General Counsel Exhibit F-12

The scedule for the visits will be as per my memorandum of February 14th.

Mr. C. R. Chute, who is on the staff at I. T. T., is planning to accompany these boys.

KML/bjb

KML

General Counsel Exhibit F-15

DATE: July 30, 1955

TO: Mr. Marion Beacham
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

FROM: Roger Milliken

This morning I have been talking with Ken Lowry and have asked him to find out while I am away what is the status of the different projects that each of you is working on for presentation to the whole group so that we can plan to have a meeting as soon as possible to take advantage of the recommendations that will have developed as a result of the tests that each of you is making.

In going over the list that I have, it seems that there are a great many things to be covered and it may be that instead of trying to do it all at one meeting, we will plan to have two—particularly as I suspect some of the projects are not ready yet for reporting. He will be getting in touch with you sometime within the next two or three weeks to collect this information, and based on what he finds, we will get together the end of August to set up a date as to when this meeting should be.

R. M.

e.

General Counsel Exhibit F-15

October 18, 1955

Mr. W. A. Goodwin
H. E. Moss

Control Roll on 45" Cards

I have your letter asking if we have ever had any experience covering the installation of a control roll on a card to improve neps and reduce checking. The only work that I know of which has been done along this line was a series of studies conducted at Drayton Mills by "K" Shannon. This work was done in conjunction with the program to develop recommendations for the type of machinery which should be purchased by Deering Milliken. Drayton Mill was assigned the carding operation and they may have done some work along the lines in which you are interested.

I would suggest that you contact both Raymond Owings at Drayton and "K" Shannon at Monarch Mill to see if they have any information which would be of value to you.

HEM/cm

General Counsel Exhibit F-16

March 21, 1955

Mr. C. M. Hubbard
H. E. Moss
M. T. M. Course for Darlington

Dear Clark:

Felix and I plan to be in Hartsville Wednesday evening as we have an appointment with Mr. Oeland at Darlington the following day.

As you suspected, Mr. Oeland has already heard of your management training program at Hartsville and has asked when Darlington is to be included. He, of course, pointed out that his training classes have already been twice scheduled only to be cancelled.

It seems reasonable that we consider spending two additional weeks at Darlington after your work at Hartsville is completed. This, then, amounts to a four-week period in the Darlington-Hartsville area, which should provide ample time for conducting training classes at both mills, as well as completing the industrial engineering department audits at both mills.

Will you please give this matter your consideration and be prepared to discuss it with me Wednesday evening?

HEM/bjb

HARRY

General Counsel Exhibit F-17

Deering Milliken Service Corporation
INDUSTRIAL ENGINEERING DEPARTMENT

February 5, 1955

To: Abbevjlle, Mr. W. F. Umstaedter - CC:

Cowan, Mr. Philip Byfield
Darlington, Mr. W. S. Hawkins
Drayton, Mr. R. C. Owings
Dutchess, Mr. T. J. Fox
Exc. Union, J. T. Wardlaw
Exc. Rutherfordton, Mr. R. H. Jones
Hatch, Mr. George Hemphill
Exc. Clemson, Henry D. Ott
Exc. Finishing, Mr. W. A. Carter
Gaffney, Mr. W. J. Fagan
Gayley, Mr. Harold Lewis
Gerrish Milliken, Mr. John Buice
Hartsville, Mr. J. A. Garner
Johnston, Mr. F. D. Hill
Judson, Mr. J. C. Gray
Kingsley, Mr. J. W. Curtis
Laurens, Mr. B. C. Moore
Lockwood, Mr. T. E. Peterson
Lockhardt, etc., Mr. R. N. Yantis
McCormick, Mr. W. T. Mundy, Jr.
Pacolet 3 & 5, Mr. J. F. Richie
Pacolet 4, Mr. Milton Christman
Pacolet 6, Mr. J. E. Allen
Mr. Randolph Brandt
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

Mr. C. E. Anderson, Exec. Union
Mr. George Asnip, Laurens
Mr. J. M. Bailey, Judson
Mr. G. D. Baker, Pacolet 4
Mr. M. W. Beachum, Exc. Union
Mr. D. I. Beal, Farnsworth
Mr. S. J. Craig, Jr., Hatch
Mr. A. D. Damon, Dufchess
Mr. L. C. Ellis, Monarch
Mr. J. A. Ferguson, Lockhart
Mr. L. J. Fisher, Jr., Gerrish Milliken
Mr. W. F. Garth, Pacolet 6
Mr. E. H. Hines, Jr., Exc. Finishing
Mr. C. T. Holland, Pacolet 3 & 5
Mr. J. M. Jackson, Gaffney
Mr. R. H. Jones, Exc. Rutherfordton
Mr. W. S. Manning, Gayley
Mr. Joe Meehan, Farnsworth & Cowan
Mr. T. E. Peden, Johnston
Mr. H. L. Pratt, Jr., Ottaray
Mr. H. B. Risher, Exc. Finishing
Mr. H. F. Staples, Lockwood
Mr. G. G. Simmons, Drayton
Mr. F. A. Thompson, McCormick
Mr. W. E. Thrailkill, Kingsley
Mr. A. C. Wiesner, Cowan

General Counsel Exhibit F-17

FROM: Clark M. Hubbard, D.M.I.E.D.

SUBJECT: Time Study Training Course

A number of mills have asked that another course be conducted by this department in the principles of time study for industrial engineering trainees.

This course will cover fifteen days of training, consisting of rating, watch reading, calibration of time studies, job assignment determination, and maintenance of standards. We plan to conduct this course three weeks, beginning February 28, 1955. The fee will be $150 per man for the fifteen days of training. We would like to be advised by February 16th the names of the men who plan to attend this course. The location for the course will be selected after we have received the reservations.

CMH/bjb

General Counsel Exhibit F-18

DEERING MILLIKEN SERVICE CORPORATION

INDUSTRIAL ENGINEERING DEPARTMENT

Date: March 30, 1956

To: Messrs. Asnip, E. O. DeFore, R. C. Edwards, J. A. Meehan, J. J. Norton, Jr., J. M. Oeland, I. S. Pitts, A. B. Sibley,

FROM: W. A. L. Sibley, M. C. Stone
Copies to: Mr. Roger Milliken
K. M. Lowry

SUBJECT: Work Simplification Conferences

At our last Management and Development Committee Meeting, we discussed the Work Simplication Conferences, held by Allan H. Mogensen, at Lake Placid and Sea Island. A number of you have attended these conferences and everyone I have talked with felt that they were well worthwhile.

As you know, the Lake Placid Conference is six weeks and cost $3,000. The Sea Island Conference is for two weeks and the cost is $1,150. I am attaching, hereto, Mr. Mogensen's latest booklet and wonder if you would like to consider sending any of your men to the six-weeks course. We have tentatively reserved two places and I would suggest that you let me know as soon as possible so that we can make the necessary reservations. The Sea Island course will not be held again until the first of next year, so we do not have to do anything about reserving places for this one at this time.

KML/bjb
Attach.

General Counsel Exhibit F-20

Deering Milliken Service Corporation

INDUSTRIAL ENGINEERING DEPARTMENT

August 16, 1956

To: Mr. George Asnip
Mr. J. M. Bailey
Mr. E. O. DeFore
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

cc: Mr. Roger Milliken

FROM: K. M. Lowry

You received recently from Anne Ebersbach a copy of a poster that was being put out at Burlington. I think this points out to us the absolute necessity of doing a thorough selling job on any change that is being made in our work assignments. Apparently, Burlington is not doing a thorough selling job and it is starting to backfire. If we do the proper job of explanation when we have a change, I am confident that we will not have this same difficulty.

General Counsel Exhibit F-20

I would like to suggest that you review your procedures with your Industrial Engineering Department and your supervision, so that you can assure yourself that all changes will be handled properly.

If you would like any assistance from us in this regard, please let me know.

KML

KML/bjb

General Counsel Exhibit F-21

Deering Milliken Service Corporation
INDUSTRIAL ENGINEERING DEPARTMENT
P. O. Box 1698—Greenville, S. C.

Copies: Mr. T. D. Truluck
Mr. Wallace Storey

DATE: February 8, 1956

TO: Mr. J. M. Oeland
Mr. J. J. Norton
Mr. I. S. Pitts
Mr. W. A. L Sibley
Mr. G. G. Simmons

FROM: Bruce B. White

SUBJECT: *Central Warehouse*

Messrs. Truluck and Storey and I met yesterday to discuss the possibilities of a central warehouse for your mills, the thought being that incoming cotton for this group of mills would be received at the central warehouse where it would be classed and tagged. The cotton would either be stored at this warehouse until needed by the mill, or temporarily stored several days before being re-shipped to the designated mill.

We are of the opinion that considerable savings would be realized by having all of your cotton weighed, classed, and tagged at a central warehouse, so that when it is received by you it would only have to be stored, thereby eliminating the need for your outside crews to do any sampling and tagging.

Mr. Truluck has been in touch with Mr. Milliken and we have been asked to make a preliminary report showing

what savings would be realized and the approximate cost for such an operation. In order for us to complete this study, there are certain data which we would like to receive from you, as follows:

1. Schedule of outside storage for 1955.
2. Outside warehouse fees for 1955.
3. Additional insurance which was necessary during 1955 for outside cotton storage.
4. Any switching charges or extra handling involved between the mill and outside storage warehouses for 1955, and
5. Demurrage on cotton cars for 1955.

Since the mills would not be required to sample, temporarily store, and tag cotton by using a central warehouse, we feel that it would be possible for you to reduce your handling crews. Therefore, in addition to the information requested above, we would also like to know how many men you could eliminate from your outside crews through having this done at a central warehouse and their hourly rate of pay.

We are most anxious to get this information to Mr. Milliken as soon as possible, and would appreciate your letting us have it at your earliest convenience.

B B B/bjb

BBW/bjb

General Counsel Exhibit F-22

February 10, 1956

Mr. Bruce B. White
Industrial Engineering Department
Greenville, S. C.

Subject: Central Warehouse

Dear Bruce:

I am hastening to reply to your letter of February 8th as I will have to be out of town a good part of the next ten days. The answers to the questions raised are as follows:

1. Schedule of outside storage for 1955. None
2. Outside warehouse fees for 1955 None
3. Additional insurance which was necessary during 1955 for outside cotton storage None
4. Any switching charges or extra handling involved between the mill and outside storage warehouses for 1955, and
5. Demurrage on cotton cars for 1955

It would be my estimate that if we could have the proper mix of cotton furnished us without the necessity for storing and stacking we could possibly cut off two of the five men presently in the shipping department. Saving on these two men would run around $96.00 per week.

Very truly yours,

J. M. Oeland
Treasurer

mo/m
cc: Mr. T. D. Truluck
Mr. Wallace Storey
Mr. W. A. Goodwin

General Counsel Exhibit F-23

Deering Milliken Service Corp.

INDUSTRIAL ENGINEERING DEPARTMENT
P. O. Box 1698—Greenville, S. C.
March 26, 1956
CC: Mr. J. A. MacArthur

To: Mr. T. D. Truluck

FROM: Bruce B. White

SUBJECT: Central Warehouse

In accordance with your request, Alex MacArthur and I have worked up data showing what the picture would have been if we had had a central warehouse during the year 1955. This has been done showing what the revenue would have been to the warehouse if Darlington, Drayton, Gaffney, Hartsville, Judson, and the Monarch Group had been using it last year.

We are attaching two schedules to this memo, Schedule I, Central Warehouse Revenue and Schedule II, showing Net Savings by Mills. Taking into consideration the total savings by mills and the net revenue to the central warehouse, before taxes, the net return would have been 45.9%. The return, based on warehouse revenue only for an expenditure of $466,000, before taxes, would have been 9.4%. It should be pointed out that this is only the cotton storage and no cloth has been considered. Also, no additional cotton storage was considered and no bonded storage.

It will be noted that the return of 45.9% is based on processing all of the cotton through the central warehouse

for the listed mills, which was 143,750 bales for 1955. In our preliminary report, it was estimated that 100,000 bales would be processed through the warehouse annually; therefore, by using the figure of 143,750 for bales processed, our return increased.

BBW/bjb
Enclosure

General Counsel Exhibit F-24

File

[Letterhead of]

DARLINGTON MANUFACTURING COMPANY

DARLINGTON, SOUTH CAROLINA

March 15, 1956

Mr. K. M. Lowry
Box 1698
Greenville, S. C.

Dear Ken:

In line with Mr. Milliken's letter of March 10th calling our attention to importance of setting proper job assignments on the purchase of new machinery and improvements on machinery we have in place, we are writing to say that we will appreciate your help and advice as outlined in this letter. We are listing below changes or contemplated changes that should have your attention as far as job assignments and inspection:

1. Twenty-seven Whitin frames equipped with pneumafil, large package creels on filling.
2. Thirty-two Saco-Lowell 1923 filling frames now being equipped with pneumafil, and large package creels.
3. Ninety-six warp spinning frames to be equipped with pneumafil this year, 16 with large package creels.
4. Lap conveyor over cards.
5. 15x42" and 17x42" drawing change-over.

General Counsel Exhibit F-24

6. Five 12x6½ Whitin roving frames.
7. Eighty-four 50" XD looms to be put in third and fourth quarter this year.

In addition to the above we are putting 26" loom beams on 464 40" E model looms replacing 18" and 20"; conveyor for hauling warp yarn from spinning to spooling room; conveyor for taking warp beams from spooler room to slasher room, and 38" warper beams with two new Barber-Colman warpers for handling.

We will apreciate it if Mr. Lowry will have someone from D.M.I.E.D. to work out with Mr. Hawkins a program for carrying out the suggestions in Mr. Milliken's letter.

Very truly yours,

J. M. OELAND
J. M. Oeland
Treasurer

cc: Mr. Newton
Mr. Milliken
Mr. Goodwin
Mr. Hawkins

General Counsel Exhibit F-25

Mr. J. M. Oeland March 27, 1956

H. E. Moss

I have your letter of March 15th to Mr. Lowry asking that someone from our office work with Mr. Hawkins in the development of proper job assignments for new machinery.

Both Mr. Lowry and I plan to visit your mill in the near future and will, at that time, review a program designed to insure the development and installation of job assignments which will be current with the installation of new machinery and auxiliary equipment.

We will get in touch with you later to let you know the time of our visit.

HEM/bjb

General Counsel Exhibit F-26

Date: April 14, 1955

To: Mr. Clark Hubbard

From: W. S. Hawkins

Subj: Battery Hands

I wouuld appreciate your sending to me the Battery Hand Manual as prepared by your department for Monarch Mill, Lockhart Plant.

It is my understanding that we are at liberty to install this job at Darlington.

WSH/bbw
cc? File

General Counsel Exhibit F-27

Mr. W. S. Hawkins November 17, 1955

Clark M. Hubbard

Mr. Lowry has referred your letter of November 14th to me.

With reference to your study of spinner and doffer jobs. I can plan to work with you as soon as the supervisors' check list has been completed.

I will contact you next week and schedule a date for my visit to Darlington.

CMH/bjb

General Counsel Exhibit F-28

STANDARD SURVEY

—SUMMARY—

Date May 9, 1956

Mill Darlington
Department All

Page No.	Department	Measured	Time Req'd. Man-Days	Comments
1	Card Room		165	
2	Preparation		155	
3	Spinning		165	
4	Weaving		230	
5	Cloth Room		105	
	GRAND TOTAL MAN-DAYS REQ.'D.		820	
	TOTAL MAN-YEARS REQUIRED		3.28	

General Counsel Exhibit F-28

STANDARD SURVEY

Date May 9, 1956

Mill Darlington
Department Card Room

Job No.	Job Title	Measured	Time Req'd. Man-Days	Comments
1 2	Opener Tender Picker Tender	yes yes	15-A	(Lap Handling) Manual—Sept. 1953, Rev. 1955
3	Card Tender	yes	30-A	No Manual—must be restudied
7 7	Breaker Drawing Tender Finisher Drawing Tender-Roving Tend.	yes	20-A	March 5, 1956—all data and rate-manual
9	10 x 5—1.81	yes	0-A	No manual
8	12 x 6—1.10	—	20-A	Studied but no rate
18	Second Hand			
5	Card Grinder	no	5-C	
16	Maint. Man	no	5-C	
4	Card Stripper	yes	10-A	No manual—to be restudied in conj. card tender
11	Section Man	no	5-C	
10	Creeler	yes	25-A	no manual-must be restudied
12	Sweeper	yes	20-A	no manual-must be restudied
17	Overhauler	no	5-C	
6	Overhauler Helper	no	5-C	
21	No Job	—	—	
	TOTAL MAN-DAYS REQUIRED		165	

General Counsel Exhibit F-28

STANDARD SURVEY

Date May 9, 1956

Mill Darlington

Department Preparation

Job No.	Job Title	Measured	Time Req'd. Man-Days	Comments
-53	Spooler Tender	yes	0-A	Sept. 1954—job installed. Revised weekly in accordance with pkg. wts. and tailings.
57	Warper Tender	yes	10-A	Mar. 24, 1954—Nov. 1955—revised
63	Slasher Tender	no	15-B	
65	Tie-in Hand	no	30-A	Complete restudy due to portable tie-in machine job studied—not installed
67	Head Draw-in Hand	no	5-B	—Probably be studied together
68	Draw in Hand	no	25-A	
51	Section Man (spool.)	no	5-C	
51	Section Man	no	5-C	
54	Warper Creeler	no	0-A	Job studied—not installed
52	Yarn Man	no	15-B	
56	Tailing Hand	no	10-B	
61	Slasher Foreman—1st	no	5-C	
62	Slasher Fore.—2d & 3rd	no	5-C	
—	Spooler Cleaning & Overhaul	no	-B	Eliminated
—	Slasher Cleaning	no	-B	Eliminated
69	Harness Builder	no	15-B	Might be classified as "C"
66	Tie-in Helper	no	10-B	Studied with "tie-in man"
—	Yarn Hauler	yes	0-B	May 1956—last revision
	TOTAL MAN-DAYS REQUIRED		155	

General Counsel Exhibit F-28

STANDARD SURVEY

Mill Darlington Date May 9, 1956

Department Spinning

Job No.	Job Title	Measured	Time Req'd. Man-Days	Comments
31-33 42	Spinner	yes	30-A	Nov. 1949—Manual Must be restudied
34	Second Hand	—	—	
21	Section Man	no	5-C	
28	Section Oiler	no	5-C	
35-38, 47, 49	Doffer	yes	30-A	Filling Doffer—Apr. 1956 Revision—Nov. '52 Man Warp Doffer—Nov. '55—Revision—Sept. '53 Man Must be restudied
22	Overhauler	no	5-C	
23	Overhauler Helper	no	5-C	
24	Oiler-Taper	no	30-A	
26	Roving Hauler	yes	20-A	Apr. 1953—Manual—No revision Must be restudied
29	Roving Hauler-Sweeper	yes		
25	Sweeper	yes	20-A	Apr. 1953—Manual—No revision Must be restudied
39	Frame Cleaner	yes	15-A	Additional work necessary before put in—Must be restudied—no manual
41	Traveler Changer	yes	0-C	
40	Spindle Cleaner	yes	0-C	
	TOTAL MAN-DAYS REQUIRED		165	

General Counsel Exhibit F-28

STANDARD SURVEY

Mill Darlington Date May 9, 1956

Department Weaving

Job No.	Job Title	Measured	Time Req'd. Man-Days	Comments
92	E—Weavers	yes	30-A	Mar. 1953—Manual—Rev.—Jobs up-to-date by current loom stops
93-94	X—Weavers	yes	30-A	Feb. '52 — Manual -- Rev. — 50" looms & large loom beams entail complete restudy
71	Second Hand	no	—	
72	Loom Fixer	no	5-C	
88-91	Battery Hand	no	30-A	
73	Smash Hand	no	15-B	
74	Warp Man	yes	20-A	Manual out of date—complete restudy necessary Aug. 1954—No Revision
84-"E" 85-"X"	Cloth Doffer	no	10-A	Job studied—not installed
75	Quill Hauler Grate Cleaner	no	15-A	Job studied—not installed
80-81	Oiler	no	20-A	
82	Sweeper	yes	10-A	No manual
76-77	Quill Stripper	no	10-A	
87	Change Man	no	5-C	
78	Blow-off	yes	10-B	
83	Overhead Cleaner	no	10-B	
79	Harness Cleaner	yes	10-B	
	TOTAL MAN-DAYS REQUIRED		230	

General Counsel Exhibit F-28

STANDARD SURVEY

Mill Darlington

Date May 9, 1956

Department Cloth Room

Job No.	Job Title	Measured	Time Req'd. Man-Days	Comments
101-102	Second Hand Invoicer	no	5-C	
103	Stitcher	no	10-B	
104	Inspector	no	30-A	
105	Folder	no	10-B	
106	Grader	no	15-B	—In addition to grader.
107	Seconds Grader	no	5-B	—In addition to grader.
108	Press	no	10-B	
109	Learners	no	—	
110 111	Clerk Grader	no	5-C	
112	Conveyor Tender	no	15-B	
	TOTAL MAN-DAYS REQUIRED		105	

General Counsel Exhibit F-29

Deering Milliken Service Corporation
Industrial Engineering Department
P. O. Box 1698
Greenville, S. C.

November 18, 1954

To: Mr. Randolph Brandt
Mr. E. O. DeFore
Mr. E. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

FROM K. M. Lowry

CC: Mr. H. F. Staples
Mr. A. D. Damon
Mr. W. A. Newton
Mr. W. B. Hill
Mr. J. M. Jackson
Mr. F. P. Mullendore
Mr. D. R. Arrowood
Mr. J. M. Bailey
Mr. G. G. Simmons
Mr. George Asnip
Mr. L. J. Fisher, Jr
Mr. W. S. Manning
Mr. W. E. Thrailkill
Mr. L. C. Ellis
Mr. H. L. Pratt, Jr.
Mr. J. A. Ferguson
Mr. C. T. Holland
Mr. George D. Baker
Mr. Winston Garth
Mr. M. W. Beacham
Mr. C. E. Anderson, Jr.
Mr. R. H. Jones
Mr. S. J. Craig, Jr.
Mr. E. H. Hines
Mr. H. B. Risher
Mr. T. E. Peden
Mr. F. A. Thompson
Mr. J. A. Meehan
Mr. D. I. Beal
Mr. Roger Milliken

General Counsel Exhibit F-29

SUBJECT: Quarterly Job Assignment Savings Report

In the past, the mills have reported to this department savings affected each quarter for discussion in the quarterly treasurers' meeting. Also reported was the mill hourly employees on measured standards.

It has been decided to discontinue these reports; however, it is suggested that each mill continue to maintain a record of savings and work measurement coverage to discuss with Mr. Milliken on his regular visits to the mills.

We are attaching hereto a summary of reported savings for the past year by quarters and mill hourly employees on measured standards.

In order to more thoroughly cover the activity and progress of the Industrial Engineering Departments, we have been asked to develop a program to systematically review each mill's Industrial Engineering operating procedures and program. This review is to stress compliance with standard procedures such as:

1. Time Study Techniques
2. Method Time Measurement
3. Incentive Payment Procedures
4. Standards Manuals Preparation
5. Standards Maintenance and Follow Up Procedures
6. Programing and Goals

As soon as the procedure for auditing the Industrial Engineering activities is complete, we plan to visit each mill for review.

CMH/cm

KML

General Counsel Exhibit F-30

Industrial Engineering Department
Deering Milliken Service Corporation
P. O. Box 1698 — Greenville, S. C.

August 29, 1955

To: Mr. E. O. DeFore
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

CC: Mr. R. H. Bush
Mr. H. C. Byrd
Mr. Harry DeFore
Mr. Roger Milliken
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

FROM: K. M. Lowry

In reference to Mr. Milliken's letter of August 25th regarding the specific goals and recommendations for our meeting on October 11th, we have discussed this with some of the Treasurers and it was felt that rather than try to develop goals for every process in the mills it might be better to concentrate on specific operations. In order to cover the jobs having the highest number of employees, it was felt that we should concentrate on spinners, doffers, weavers, fixers, and battery tenders.

We will be contacting you very shortly to work with you on getting up your present assignments and getting factual information about competitive assignments so that you may set your goal.

KML/bjb

KML

General Counsel Exhibit F-31

File

DEERING MILLIKEN SERVICE CORPORATION
INDUSTRIAL ENGINEERING DEPARTMENT

DATE July 9, 1956

COPIES TO:
Mr. J. M. Oeland
Mr. W. A. Goodwin

TO: Mr. W. S. Hawkins
FROM: Clark M. Hubbard
SUBJECT: Standard Maintenance Audit
Roving Tender—Darlington

From an audit of your 10 x 5 roving tender job, running 1.80 hank roving, it was found that the operator was performing *2.73% more work than called for in the standard.*

A total of 205 demerits were assigned for the following variances:

Break Work—The audit indicated that a variance in frequency amounted to a 22% reduction in break work.

Doff Work—The work content of doff work was reduced by the change of one cleaning element to daily work. The doff package weight has been reduced to such an extent that it offsets the reduction in work content of all elements.

Cleaning Work—Five of the ten cleaning elements have changed in either frequency or the addition or deletion of elements.

Covering Manual—Sufficient changes have been made since the manual was written, to necessitate a complete review to make the manual current.

CMH/bjb

Encl.

Darlington

STANDARDS MAINTENANCE AUDIT Roving Tender - 10 x 5

Mill: July 7, 1956 Job Title: CMI, WL WH

Date: Audited By: Reviewed By:

Administration: (DMIED) (Mill)

Item	Demerit Range	Mill Demerits	Comments
A. Covering Manual 1. Complete & Current	0-100	(75)	Manual needs complete review to be current. It will be done when job is attended for training thank you Sup Pork Chargeman.
B. Method of Payment 1. Reflect Performance	0- 50		
C. Non-Standard Policy 1. Downtime 2. Non-Incentive Time 3. Under-Assignment	0- 30 0- 30 0- 30		
D. Allowances 1. Personal & Fatigue 2. Miscellaneous	0- 30 0- 30		
Totals	300	75	

Work Content:

Item	Demerit Range	Mill Demerits	Comments
A. Break Work 1. Frequency 2. Methods	85	80	The audit indicated a 22% reduction in break work. To be gotten with attendance of job. Hourly rates
B. Creel Work 1. Frequency 2. Methods	95	0	
C. Doff Work 1. Frequency 2. Methods	340	(75)	Clean bottom clearers changed from doff to daily work. Rounds/doff reduced from 1.625 to 1.375.
D. Cleaning Work 1. Frequency 2. Methods	75	35	Changes in frequency of cleaning and addition and deletion of elements
E. Patrol and Inspect 1. Frequency 2. Methods			
F. Materials Handling 1. Frequency 2. Methods			Will review with Bell'tl.
G. Maintenance 1. Frequency 2. Methods			
H. Miscellaneous 1. Frequency 2. Methods	5	0	
Totals	600	130	

Mechanical and Operating:

Item	Demerit Range	Mill Demerits	Comments

General Counsel Exhibit 1-I

1467

1. Reflect performance	0- 30		Need Work Standards.
C. Non-Standard Policy			
1. Downtime	0- 30		
2. Non-Incentive Time	0- 30		
3. Under-Assignment	0- 30		
D. Allowances			
1. Personal & Fatigue	0- 30		
2. Miscellaneous	0- 30		
Totals	300	75	

Work Content:

Item	Demerit Range	Mill Demerits	Comments
A. Break Work			Hourly review
1. Frequency	85	20	The audit indicated a 22% reduction in
2. Methods			break work. To be gotten with
			Catching of jobs.
B. Creel Work			
1. Frequency	95	0	
2. Methods			
C. Doff Work			
1. Frequency	340	(75)	Clean bottom clearers changed from doff to
2. Methods			daily work. Pounds/doff reduced from
			1.625 to 1.375
D. Cleaning Work			
1. Frequency	75	35	Changes in frequency of cleaning and
2. Methods			addition and deletion of elements
E. Patrol and Inspect			
1. Frequency			
2. Methods			
F. Materials Handling			Will review
1. Frequency			with Bell #1.
2. Methods			
G. Maintenance			
1. Frequency			
2. Methods			
H. Miscellaneous			
1. Frequency	5	0	
2. Methods			
Totals	600	130	

Mechanical and Operating:

Item.	Demerit Range	Mill Demerits	Comments
A. Speeds			
1. 0-5% Change	0- 25	0	
2. Over 5% Change	0- 50		
B. Settings			
1. 0-10% Change	0- 25		
2. Over 10% Change	0- 50	0	
Totals	100	0	
Grand Total	1,000	205	15%

OVERALL STANDARDS VARIANCE (%). 2.73%

General Counsel Exhibit F-32

PERSONAL AND CONFIDENTIAL

INDUSTRIAL ENGINEERING DEPARTMENT
Deering Milliken Service Corporation
P. O. Box 1698—Greenville, S. C.

August 2, 1956

To: Mr. George Asnip
Mr. J. M. Bailey
Mr. E. O. Defore
Mr. J. A. Meehan
Mr. J. J. Norton
✓ Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. W. A. L. Sibley
Mr. A. B. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

FROM: K. M. Lowry

SUBJECT: Salary Basis for Second Hands

As you recall at our Treasurers' Meeting at Drayton on Tuesday, July 17th, there was a discussion regarding paying "second hands" or, as they are now called in many cases, "assistant overseers" on a salary basis. The question arose as to what the pension plan cost would be and if there would be any cost for prior service.

Since that time, I have been in touch with Ivins, Phillips & Barker and am attaching, hereto, a copy of Fleming Bomar's letter to me. You will note that under our present plan, there are three requirements to be met, as follows:

(1) The employee must be classified as a salary employee on the entry date.

General Counsel Exhibit F-32

(2) The employee must have been continuously employed by the company as a salaried employee for at least two years on such entry date.

(3) The employee must have attained the age of 30 and must not have attained the age of 55 on or prior to such entry date.

This means that unless we revise our plan, the "second hand" would not be eligible to join the plan until he had been on a salary basis for two years. We would then have to pay the past service benefit for the first two years during which he was employed on a salaried basis.

In order for us to accurately determine what our additional pension plan cost would be, we need to have certain information from your mills for all employees whom you would consider changing to this salary basis. We will then send this to our actuary and have the cost computed by mills. Attached are two copies of a form to be used in compiling this data for each of your mills. We would appreciate your giving these forms to the proper individuals in your organization, having them filled out, and return one copy to me in an envelope marked "PERSONAL AND CONFIDENTIAL". The extra copy is for the mill's file if desired.

Would you, also, please indicate whether or not you would want to consider trying to have the plan ammended so that it could be for two years of employment for eligibility, rather than two years as a salaried employee. This change in the plan would be necessary if the "second hands" in question are to be permitted to join the plan as of December 1, 1956. You will also note what Mr. Bomar points out regarding having all "second hands" on the same basis of compensation.

Even if you are not in favor of making a change, will you please have the attached forms completed and returned to us so that the cost may be computed for our entire organization in time for our meeting early in September. You will recall that we were asked to have this information ready not later than September 10th, so we would appreciate having the completed forms in this office not later than August 17th.

KML/bjb

KML/bjb

Encls.

General Counsel Exhibit F-23

[Letterhead of]

LAW OFFICES OF

IVINS, PHILLIPS & BARKER
SOUTHERN BUILDING, 15TH & H STS., N.W.
WASHINGTON 5, D. C.

July 18, 1956

Mr. Kenneth Lowry
Judson Mills
Greenville, S. C.

Re: Deering Milliken Mills Retirement Plan

Dear Ken:

I hope that I have sent this letter to the correct address in view of the corporate reorganizations in which both you and your employer have been involved. I would appreciate it if you would acknowledge receipt of the letter by return mail in order that I may be certain it reached you.

Section 3.02 of the Deering Milliken Mills Retirement Plan provides that every employee ineligible to join the plan when it first commenced and every new employee of the company must meet three requirements in order to become a participant on any future entry date:

1. The employee must be classified as a salaried employee on such entry date.

2. The employee must have been continuous employed by the company *as a salaried employee* for at least two years on such entry date.

3. The employee must have attained the age of 30 and must not have attained the age of 55 on or prior to such entry date.

General Counsel Exhibit F-32

Accordingly, if the management of one of the Deering Milliken mills decides to change the basis of compensating "second hands" from an hourly rate to a salaried basis, it would be necessary for such second hands to wait two years prior to entering the plan. However, when such a second hand does become eligible to join the plan he would be entitled to a past service benefit for the first two years during which he was employed on a salaried basis. No past service benefits would be provided for years of service when the employee was not paid on a salaried basis.

The plan could be amended to require two years of employment as a prerequisite to eligibility rather than two years of employment as a salaried employee. Such a change would be necessary if the second hands in question are to be permitted to join the plan as of December 1, 1956.

If the basis of compensation of any second hand is changed from an hourly rate to a salaried basis, it is my opinion that the basis of compensating all second hands should be changed in the same manner. Otherwise, in addition to the dissatisfaction caused among employees performing the same job, the Internal Revenue Service, if all facts were known, would have a reasonable ground for arguing that the plan was operated on a discriminatory basis.

I trust that I have answered the questions raised in our telephone conversation, but if not please let me know.

Sincerely yours,

FLEMING BOMAR

General Counsel Exhibit F-33

DEERING MILLIKEN SERVICE CORPORATION

INDUSTRIAL ENGINEERING DEPARTMENT

To: Mr. J. M. Oeland DATE May 24, 1956

FROM: K. M. Lowry COPIES TO:

SUBJECT: *Standard Cost System*

During our recent visit to your mill, we reviewed, in considerable detail, the principal factors necessary to the development and installation of a standard cost system. During our discussion, the following program was planned:

Industrial Engineering Department

A survey completed May 9, 1956 indicated that 3.28 man years of industrial engineering work would be necessary to determine direct and indirect labor standards required for the standard cost system. In reviewing your present industrial engineering department personnel, we decided that this department's organization should be developed along the lines shown on the attached organization chart. Examination of this chart will indicate that you presently need two additional industrial engineers and in line with our discussion, you will plan to employ personnel for these openings as soon as possible. We feel that this industrial engineering organization, when developed for Darlington, will be able to complete and maintain a comprehensive program. We also feel that once this organization is developed, it should be continually maintained by making sure that when a man is transferred, a trainee is already on hand to fill the vacancy.

As the industrial engineering department is developed, it will be possible to determine direct and indirect labor

standards outlined in detail on the survey dated May 9, 1956 and we can then go ahead with other work necessary to the installation of the standard cost system.

You will remember that Mr. Sterling Smith discussed additional personnel which will be required to take care of cost and accounting functions necessary to this program. He will write to you concerning this sometime soon.

The preceding information has been submitted to confirm our understanding of the program which was decided upon when we were at your mill. We would appreciate hearing from you if you have any additional comments.

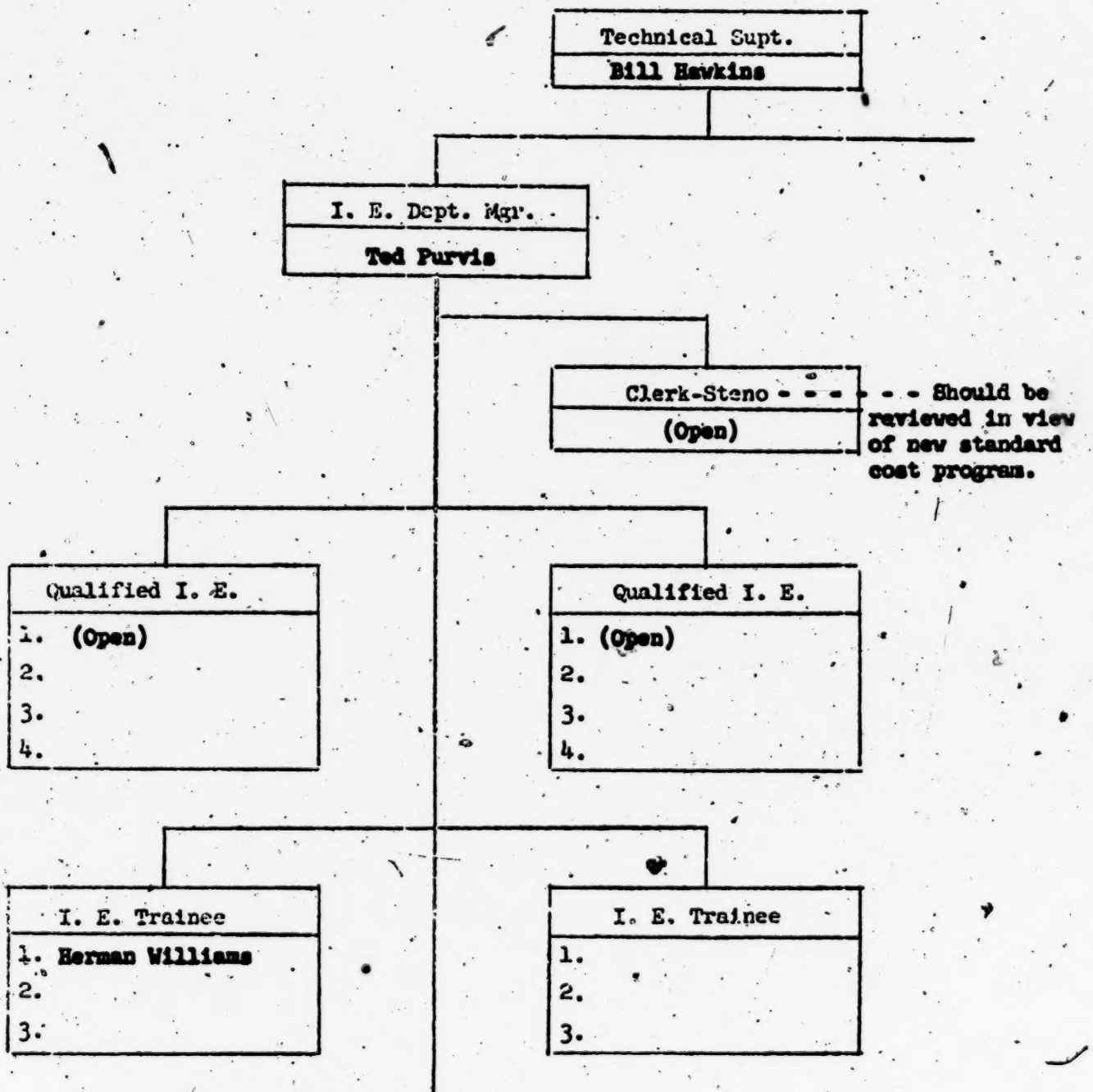
HEM/cm

Attach.

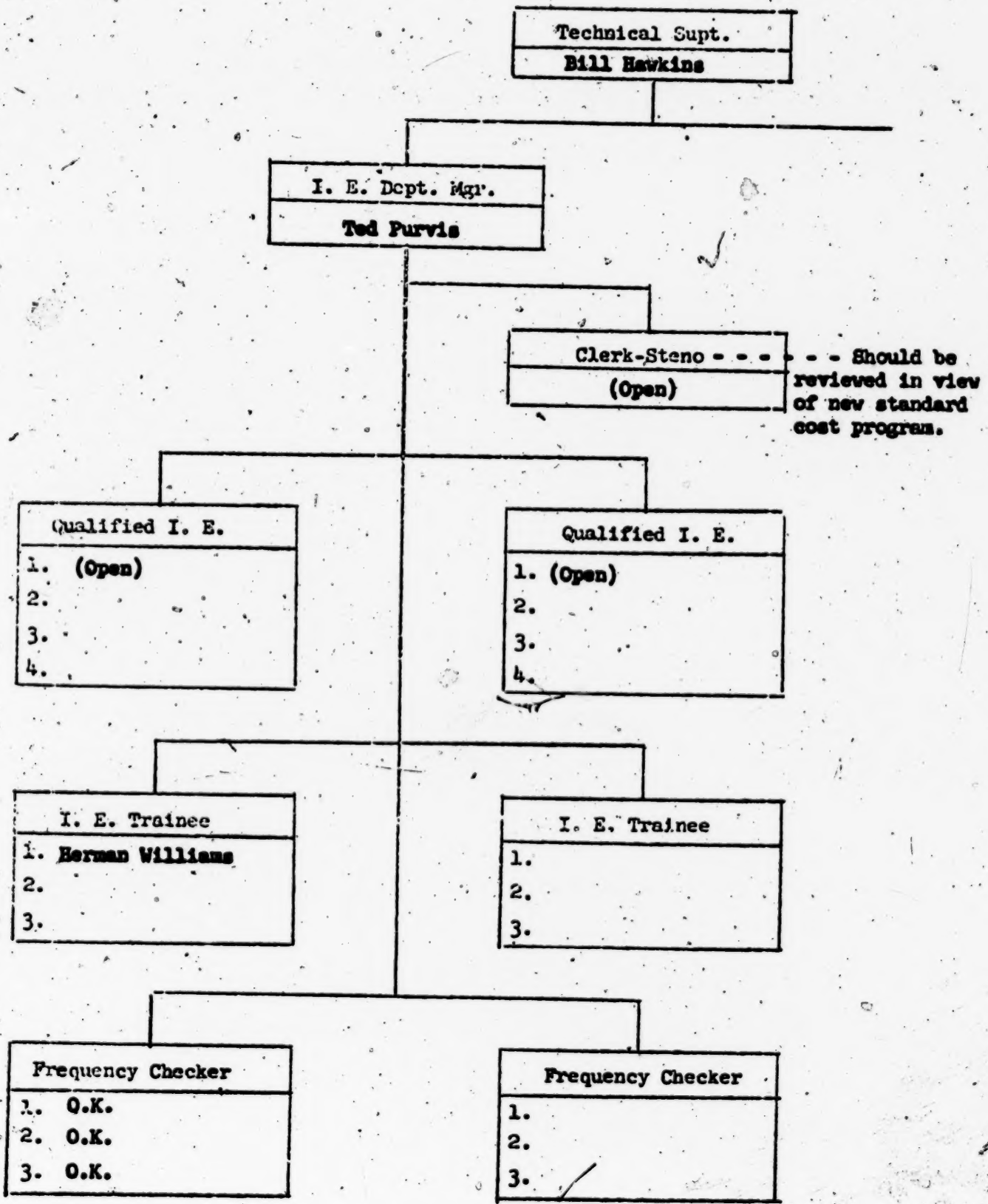
ORGANIZATION CHART

Industrial Engineering Department

DARLINGTON Mill



1475
General Counsel Exhibit F-33


Technical Supt.
Bill Hawkins
I. E. Dept. Mgr.
Ted Purvis
Clerk-Steno
(Open)
Should be revieved in view of new standard cost program.
Qualified I. E.
1. (Open)
2.
3.
4.
Qualified I. E.
1. (Open)
2.
3.
4.
I. E. Trainee
1. Herman Williams
2.
3.
I. E. Trainee
1.
2.
3.
Frequency Checker
1. O.K.
2. O.K.
3. O.K.
Frequency Checker
1.
2.
3.

Respondent's Exhibit F-1

SERVICE AGREEMENT

AGREEMENT made this 15th day of November, 1951 between DEERING MILLIKEN SERVICE CORPORATION (DMSC), a Delaware corporation having its principal office at Greenville, S. C., First Party, and DARLINGTON MFG. COMPANY, a South Carolina corporation having its principal office at Darlington, South Carolina, Second Party.

WHEREAS, DMSC has been organized to provide essential services to organizations engaged in the textile industry at the lowest practicable cost; and

WHEREAS, the Second Party is engaged in the textile industry, is a holder of capital stock of DMSC and is desirous of making the services of DMSC available to itself and to any mills operated by it.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. DMSC shall make available to the Second Party, various services and facilities from time to time provided by the following departments of DMSC:

(a) Purchasing Department;
(b) Cotton Purchasing Department;
(c) Cotton Waste Department;
(d) Yarn Department (including rayon waste sales);
(e) Textile Machinery Department;
(f) Engineering Department;
(g) Industrial Engineering Department;
(h) Cost Department;
(j) Placement Department;

and such other departments as may hereafter be established by DMSC.

Respondent's Exhibit F-1

2. The charges and assessments to be made to the Second Party for the services required by it hereunder shall be at cost to DMSC.

3. Each statement of DMSC for charges or assessments shall be paid within ten days from the date rendered.

4. Nothing herein contained shall require the Second Party to avail itself of the services of any particular Department or Departments of DMSC or prohibit the Second Party from contracting with any other person, firm or corporation for services of the same or a similar kind as those offered by any Department.

5. Nothing herein contained shall prohibit DMSC from offering the services of any or all of its Departments to any person, firm or corporation, whether or not such person, firm or corporation shall be a stockholder of DMSC; provided, however, that the charges to any non-stockholder shall not be less than the charges to the Second Party for services of the same or a similar kind.

6. This agreement may be terminated at any time by either party upon not more than sixty (60) and not less than forty (40) days' notice in writing. Upon termination, the Second Party shall surrender to DMSC certificates representing all shares of capital stock of DMSC held by the Second Party and shall receive therefore (a) the par value of such shares plus (b) the unused portions, if any, of all assessments theretofore paid by the Second Party, computed in accordance with the accounting practice regularly employed by DMSC or by the Department or Departments thereof on whose behalf such assessments had been made;

provided, however, that the Second Party shall pay on or before the effective date of termination all assessments theretofore made hereunder against the second party, prorated in accordance with the accounting practice regularly employed by DMSC or by the Department or Departments thereof on whose behalf any such unpaid assessments have been made.

7. No shares of stock of DMSC owned by the Second Party are transferrable, by operation of law or otherwise, without the written consent of DMSC.

IN WITNESS WHEREOF, this agreement has been executed at Greenville, S. C. as of the day and year above stated.

DEERING MILLIKEN SERVICE CORPORATION

By Alan B. Sibley

Darlington Mfg. Co.

By J. M. Oeland, Treas.

General Counsel Exhibit G 1

DATED March 31, 1955

COPIES TO:

ILLEGIBLE

FROM: James H. Higginbotham

SUBJECT: Roving Cans

Will you please advise how many 12 x 36 roving cans you need as we have a surplus within the organization. When advising, please state whether you want metal top and fibre lock band or roll top.

JHH:RC

General Counsel Exhibit G-2

DEERING MILLIKEN SERVICE CORPORATION

PURCHASING DEPARTMENT

P. O. Box 2327 Phone: 3-8341

Greenville, S. C.

January 6, 1955

To:
Mr. R. C. Edwards, Abbeyville
Mr. F. P. Mullendore, Darlington
Mr. G. G. Simmons, Drayton
Mr. Ernest DeFore, Clemson
Mr. C. E. Anderson, Union
Mr. R. H. Jones, Rutherfordton
Mr. Harold Risher, Finishing
Mr. J. J. Norton, Gaffney
Mr. L. J. Fisher, Gerrish Milliken
Mr. I. S. Pitts, Hartsville
Mr. S. J. Craig, Hatch
Mr. T. E. Peden, Johnston
Mr. Don Beal, Farnsworth
Mr. Arthur Wiesner, Cowan
Mr. J. M. Bailey, Judson
Mr. W. E. Thrailkill, Kingsley
Mr. George Asnip, Laurens.
Mr. Randolph Brandt, Lockwood
Mr. J. A. Ferguson, Lockhart
Mr. L. C. Ellis, Monarch
Mr. H. L. Pratt, Ottaray
Mr. Wm. R. Fiske, McCormick
Mr. C. T. Holland, Pacolet #3
Mr. George Baker, Pacolet #4
Mr. W. F. Garth, Pacolet #6

From: James H. Higginbotham

CC: Mr. H. C. Byrd
Mr. Kenneth Lowry
Mr. Russell Newton

Subject: Pick Counters

The Deering Milliken Service Corp. Revolving Fund has the following for sale:

204 Veeder-Root Reset 3 Shift Pick Counters

Before offering these outside the organization, we would like to know if any of the Deering Milliken mills have any interest. Please indicate your decision on the form below and return one copy to this office.

JHH:RC J H

To: James H. Higginbotham, DMSC Purchasing Department.

☐ Do not wish to purchase.

☐ Wish to purchase ..... after inspection.

☒ Have some interest, will check further and advise later.

Mill Darlington Mfg. Co.
Date 1/10/55
By F. P. Mullendore

General Counsel Exhibit G-4

PURCHASING DEPARTMENT

May 23, 1956

To:

Mr. Albert Stoudenmier—Abbeville
Mr. Donald I. Beal—Cowan & Farnsworth
Mr. W. A. Goodwin—Darlington
Mr. T. C. Jolly—Drayton
Mr. W. A. Newton—Clemson
Mr. C. E. Anderson—Ex. Union
Mr. Phil Byfield—Rutherfordton
Mr. Harold Risher—Finishing Plan
Mr. W. J. Fagan—Gaffney
Mr. W. S. Manning—Gayley
Mr. L. J. Fisher—Gerrish Milliken
Mr. Dan Arrowood—Hartsville
Mr. Jack Craig—Hatch
Mr. Tom Peden—Johnston
Mr. A. G. New—Judson
Mr. H. G. Hester—Jonesville
Mr. W. E. Thrailkill—Kingsley
Mr. M. G. Wallace—Laurens
Mr. Fred Thompson —McCormick
Mr. W. H. Moore—Machias
Mr. L. C. Ellis—Monarch
Mr. H. L. Pratt—Ottaray
Mr. J. A. Ferguson—Lockhart
Mr. C. T. Holland—Pacolet #3
Mr. George Baker—Pacolet #4
Mr. W. F. Garth—Pacolet #6

FROM:

James H. Higginbotham

CC: Mr. Hal C. Byrd
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

SUBJECT: SURPLUS MACHINERY & EQUIPMENT

We have the following used equipment located within the organization which is available for immediate delivery:

* * *

Please contact me if you are interested in any of this equipment.

J. H.

JEH:geb

General Counsel Exhibit G-5

DEERING MILLIKEN SERVICE CORPORATION

PURCHASING DEPARTMENT

April 9, 1956

To: Mr. Albert Stoudenmire—Abbeville
Mr. W. A. Goodwin—Darlington
Mr. T. C. Jolly—Drayton
Mr. G. T. Rankin—Gaffney
Mr. Dan Arrowood—Hartsville
Mr. A. G. New—Judson
Mr. Jack Armstrong—Laurens
Mr. C. T. Holland—Pacolet #3 & #5
Mr. Milon Christman—Pacolet #4
Mr. Frank Haddon—Pacolet #6

CC: Mr. J. M. Bailey
Mr. R. C. Edwards
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. G. G. Simmons
Mr. M. G. Wallace
Mr. M. C. Stone

FROM: James H. Higginbotham

SUBJECT: Spinning Frames for Sale

We offer for sale within the organization the following Spinning Frames:

* * *

If you have any interest in these please contact me immediately.

JHH:geb

JH

General Counsel Exhibit G-6

April 11, 1956

Mr. J. H. Higginbotham
Purchasing Department
Greenville, S. C.

Subject: Spinning Frames for Sale

Dear Jim:

We are not interested in the two Saco-Lowell spinning frames as outlined in your letter of April 9th. We are interested in buying 16 Saco-Lowell frames of 1938 model on tape driven, 3¼" gauge, with up to 320 spindles. If the frames are shorter than this we would be interested in checking into whether they could be lengthened to suit our floor space.

The other items shown on the list are in line with what we would like to have except in place of the Shaw long draft we would want a Roth system on which we can add a Duo-Roth. Will you please keep us in mind, and we hope it is possible one of the D. M. mills will be replacing frames of this type and we will be able to purchase them.

Very truly yours,

J. M. Oeland
Treasurer

jmo:m
cc: Mr. H. C. Byrd
Mr. Hawkins
Mr. Goodwin

General Counsel Exhibit G-7

Deering Milliken Service Corporation
Purchasing Department

NEWSLETTER

Number 1

June 8, 1955

To: All Mill Treasurers, Managers, and Superintendents.

Copy to:

Mr. R. H. Bush
Mr. Harry Defore
Mr. K. M. Lowry
Mr. Roger Milliken
Mr. R. B. Newton
Mrs. S. L. Smith

This is the first of a series of Newsletters which you will be receiving from time to time from this Department. The purpose of these will be to bring to your attention information which may be helpful to your mill.

It is suggested that this information be handled with discretion as we would not want it to get to our competition or salesmen.

We will indicate the name of the buyer to whom questions pertaining to items discussed should be directed. Please refer to the number and subject of the item as stated.

Item 1. —DUROMETER—SHORE TYPE A-2:

Buyer —R. F. Sanders

General Counsel Exhibit G-7

Some of our mills, namely Drayton, Excelsior-Union, Laurens, Lockwood, Monarch, and Pacolet 4, are using the Shore Durometer for testing the hardness of roll coverings such as spinning cots, roving and drawing roll covering, slasher roll covering, etc. The price of this instrument is $55.00. If there are 10 or more desired within the organization, we can purchase them at a nice discount. We understand that most textile mills are making effective use of this instrument not only in checking new roll covering, but checking the covering after it has been in operation and especially at buffing time.

Item 2—

SPRAY WELDER—COLMONOY EQUIPMENT AND SUPPLIES:

Buyer — T. B. White

This item was mentioned at the Treasurers Meeting the other day and we find that Excelsior Finishing Plant is now using this item in lieu of metallizing equipment. This unit including pistol, hopper, carburetor, air filter, regulator, parcel, and hose cost $425.00, f.o.b. Atlanta, Ga.

Excelsior Finishing Plant also purchased one tool post holder for $29.50.

The powdered Colmonoy #5 sells for $6.30/lb.; bronze, $2.40/lb.; and SAE #1020, 80¢/lb.

If you are interested in this item we will be glad to obtain pamphlets describing the use of the unit and forward to you immediately.

Item 3.

—STAINLESS STEEL PIPE—TYPE 304 ELC "AS WELDED":

Buyer —R. F. Sanders

Several of our mills use stainless steel schedule 40 pipe in certain corrosive applications. This pipe is normally type

304 or 316 according to the individual corrosive problem. This material has always been purchased in a full finished form.

An "As Welded" form of stainless steel schedule 40 pipe is now available at a price of 10% less than the full finished pipe and is proving very satisfactory. It threads as well as the higher priced pipe and should serve most of our requirements for stainless steel pipe.

Item 4.—PAPER TUBES—WARP SPINNING:

Buyer —H. W. Scott

We have found a new source for paper warp spinning tubes which will save you from 15% to 20%, dependent upon quantity and size. We have just purchased one large order for one of the mills which saved them $2,860. We believe the quality and workmanship of these tubes will prove to be very satisfactory as the manufacturer is well established and has many years of experience behind their product.

Item 5.—BRUSH FOR SHUTTLE FUR:

Buyer —H. W. Scott

B. Snowiss Fur Company is now marketing a plastic handle shuttle fur brush with a replaceable bristle insert section. It sells complete for $1.15 and the inserts are 25¢ each. The brush is conveniently sized to permit brushing the fur inside the shuttle and should be a distinct aid to the loom fixers. It is reported that the life of fur properly brushed is extended immeasurably.

HAL C. BYRD
HAL C. BYRD
Purchasing Agent

HCB/mtv

General Counsel Exhibit G-8

Deering Milliken Service Corporation, Purchasing Department
P. O. Box 2327, Greenville, S. C.

January 10, 1956

To:
Mr. C. E. Anderson
Mr. George Asnip
Mr. J. M. Bailey
Mr. D. I. Beal
Mr. Phil Byfield
Mr. S. J. Craig, Jr.
Mr. E. O. Defore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. W. F. Garth
Mr. H. G. Hester
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Pedon
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. B. Risher
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. M. G. Wallace

FROM: H. C. Boyd

Copy to:
Mr. Roger Milliken
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. R. H. Bush
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

SUBJECT: Watson & Williams Shuttle of Lantuck Non-Woven Fabric

Newsletter No. 7

Following receipt of Mr. Milliken's letter to the mills dated December 23 reporting on his visit to West Point Manufacturing Company, we called in the representative of Watson & Williams Manufacturing Company, Mr. Ray Norman.

General Counsel Exhibit G-6

Should any of our mills be interested in buying a small quanitity, say 25. for test. Watson & Williams could make delivery in approximately six weeks.

Mr. Norman told us he expected to visit West Point again during the week of January 9 and would report to us any additional information which he might receive on the test shuttles. This will be passed along to you.

H. C. Byrd

HCB/ab

General Counsel Exhibit G-9

Deering Milliken Service Corporation
Purchasing Department
P. O. Box 2327
Greenville, South Carolina

December 8, 1955

To: Mr. Albert Stoudenmire, Abbeville
Mr. W. S. Hawkins, Darlington
Mr. W. A. Newton, Jr., Excelsior #2
Mr. George Rankin, Gaffney
Mr. D. R. Arrowood, Hartsville
Mr. Herbert B. Knox, Johnston
Mr. A. O. New, Judson
Mr. M. G. Wallace, Laurens
Mr. J. A. Ferguson, Lockhart Plant
Mr. L. C. Ellis, Monarch Plant
Mr. H. L. Pratt, Jr., Ottaray Plant
Mr. W. F. Garth, Pacolet #6
Mr. Milon Christman, Pacolet #4
Mr. C. T. Holland, Pacolet #3 & #5

FROM: H. W. Scott

SUBJECT: Harness and Salvage Strapping

We are enclosing small sample of Taff rubberized harness strapping offered by McLane Brothers, Gaffney, S. C., together with price list.

Gaffney Manufacturing Co. has used this product for many years with excellent results.

We have recently negotiated a very favorable pricing agreement with this vendor which will make this product

very attractive price-wise provided we concentrate our volume with them. This is a confidential agreement and we should have no difficulty reaching the maximum discount bracket with the mills' cooperation.

We recommend this product to you and wish you would instruct your people to specify it for your future needs.

HWS/ab

Enclosure

General Counsel Exhibit G-10

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT
P. O. Box 2327
Greenville, S. C.

June 4, 1956

To: Mr. Dan Arrowood
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. W. F. Garth
Mr. W. A. Goodwin
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. T. C. Jolly
Mr. A. G. New
Mr. H. L. Pratt
Mr. G. T. Rankin
Mr. F. A. Thompson
Mr. M. G. Wallace

FROM: R. W. Wise

CC: Mr. H. C. Byrd
Mr. R. H. Bush
Mr. Harry Defore
Mr. K. M. Lowry
Mr. Roger Milliken
Mr. R. B. Newton
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. S. L. Smith
Mr. M. C. Stone.

SUBJECT: REPORT ON TRIAL INSTALLATION OF BAHNSON PNEUMATIC END COLLECTION EQUIPMENT

We have recently completed tests of the 20-frame trial installation of Bahnson "Central Heat Removal" pneumatic end collection, both on an individual basis and as compared to a similar installation of Pneumafil "Central Air, Individual Collection" system.

General Counsel Exhibit G-10

Our tests have shown that the Bahnson system is effective as regards the heat removal and is also effective as regards its prime objective of picking up the ends, as well as fly, etc.

The trial installation is at Pacolet #4, and the mill has expressed the following opinions:

* * *

In conclusion, we feel that Bahnson offers equipment competitive to Pneumafil in construction and operation at a competitive price and merits consideration in any further installation in pneumatic end collection.

We suggest that you contact Pacolet #4 for any information relative to the operation of this equipment; and if you are interested further, we suggest that you visit the mill and observe the equipment in operation.

RWW:geb
Enc.

R. W. WISE

STATIC PRESSURES, TEMPERATURES TRAVERSES, POWER MEASUREMENT:

All the raw data on the Bahnson test is on file in this office. It was omitted from the report due to the volume of measurements and calculations. Salient points have been mentioned in the report, and the writer will be happy to discuss test procedures, data or results with anyone interested.

General Counsel Exhibit G-11

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT
P. O. Box 2327
Greenville, S. C.

April 11, 1956

To: Mr. D. R. Arrowood
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. W. F. Garth
Mr. W. A. Goodwin
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. A. G. New
Mr. H. L. Pratt
Mr. George Rankin
Mr. M. G. Wallace

Copy to: Mr. J. M. Bailey
Mr. Harry Defore
Mr. K. M. Lowry
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. A. B. Sibley
Mr. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

From: Hal C. Byrd

Subject: Pneumastop

Attached are your copies of the purchase order for your mill for Pneumastop.

Following is a delivery schedule which we have today worked out with Pneumafil in an effort to give deliveries nearest possible to the dates requested by all mills and to conform to the most economical manufacturing and installation procedures. Will you please advise after reviewing this schedule if this is not satisfactory.

The deliveries shown for June and July are firm with Pneumafil as they are proceeding immediately to engineer and produce this equipment to meet the required deliveries. It would be possible in extreme cases to change deliveries beginning in September and later; however, you will note that these deliveries have been set to take into account the type of frame for which the equipment is to be supplied and, also, generally agrees with your request. The schedule is as follows:

Month	Mill	Quantitiy and Type Frame
June	Judson	13 Frames—Saco-Lowell 10x5 (Given first priority due to expansion program and necessity for establishing maximum job assignment initially)

General Counsel Exhibit G-11

Month	Mill	Quantity and Type Frame
June	Lockhart	9 Frames—Rieter 12x6⅛
July	Lockhart	10 Frames—Saco-Lowell FS-2 10x5
July	Hartsville	13 Frames—Saco-Lowell FS-2 10x5
July	Laurens.	12 Frames—Rieter 12x6⅛
September	Gaffney	20 Frames—Saco-Lowell 10x5
October	Monarch Plant	12 Frames—Platt 12x6½
October	Monarch Plant	10 Frames—Saco-Lowell 10x5
October	Ottaray Plant	7 Frames—Platt 12x6½
November	Pacolet #5	4 Frames—Platt 12x6½
November	Pacolet #5	10 Frames—Saco-Lowell 12x7
November-December	Pacolet #3	4 Frames-Saco-Lowell 11x5½
November-December	Pacolet #3	16 Frames—Saco-Lowell 10x5
December	Darlington	5 Frames—Whitin 12x6½
December	Darlington	7 Frames—Saco-Lowell 10x5
January	Pacolet #6	16 Frames—Saco-Lowell 10x5
January-February	Pacolet #4	8 Frames—Platt 12x6½
Jan.-Feb.	Pacolet #4	12 Frames—Saco-Lowell 10x5
Jan.-Feb.	Pacolet #4	20 Frames—Saco-Lowell 11x5½

In view of the fact that Pneumafil is now planning to manufacture the above equipment scheduled for September on in accordance with the above schedule, it is imperative that notice be given by *April 30* of any changes required with respect to change in frame sizes, additional or reduced number of frames, layout or any item pertaining to a change which may affect the application of Pneumastop on your frames.

HCB

HCB/mtw
cc: Mr. Roger Milliken
Mr. C. R. Harris

General Counsel Exhibit G-13

Deering Milliken Service Corporation
Purchasing Department
P. O. Box 2327
Greenville, South Carolina

July 18, 1955

To: Abbeville Mills Corporation
Darlington Manufacturing Company
Drayton Mills
Excelsior Mills #1
Excelsior Mills #2
Excelsior Mills #3
Excelsior Finishing Plant
Gaffney Manufacturing Company
Gayley Mill Corporation
Gerrish Milliken Mill
Hartsville Cotton Mill
Hatch Mill Corporation
Johnston Mill
Judson Mills
Kingsley Mill Corporation
Laurens Mills
Monarch Mills, Lockhart Plant
Monarch Mills, Monarch Plant
Monarch Mills, Ottaray Plant
McCormick Spinning Mill
Pacolet Mfg. Co. 3 & 5
Pacolet Mfg. Co. 4
Pacolet Mfg. Co. 6

General Counsel Exhibit G-13

FROM: H. W. Scott

SUBJECT: Surplus Tubes

Two of our mills report they have in surplus inventory paper tubes which they would like to transfer to another mill who might be able to use them. These two lots are as follows:

Gaffney Mfg. Co.:	Approximately 700 33" Convolute tubes 1¾" I.D. with ⅜" wall thickness. 8½" long x 1⅝" I.D.
Monarch Lockhart:	10-12,000 No. 33 Convolute tubes.

Please indicate on attached copy of this memorandum whether or not you are interested in either of these lots and return to us as soon as possible.

H. W. SCOTT

HWS/ab

General Counsel Exhibit G-14

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT
Box 2327
Greenville, S. C.

October 7, 1955

To: All Mills—Attention: Master Mechanic
From: R. F. Sanders
Subject: Recharging of CO-2 Fire Extinguishers and Pressure Cartridges for Dry Chemical Fire Extinguishers

It has come to our attention that our annual expense for recharging CO-2 fire extinguishers and the CO-2 charged pressure cylinders for dry chemical fire extinguishers is probably running into considerable money.

We would like to fully investigate this expense, with the thought in mind of concentrating our business or possibly even setting up a central point for doing this for a group, or all of our mills.

In order for us to have a place to begin work, would you please advise your approximate annual expense for this service done outside of your mill.

We will need to know the approximate number and make of each size of CO-2 extinguishers that you have recharged annually, and also, the approximate number and make of the pressurized cylinders used in dry chemical type extinguishers that you have refilled annually.

I know that your needs along these lines will vary, but we would like to have your best estimate of this usage.

We would like to have this information as soon as possible.

R. F. S.

RFS/bc

General Counsel Exhibit G-15

DEERING, MILLIKEN SERVICE CORPORATION

PURCHASING DEPARTMENT

P. O. Box 2327

Greenville, S. C.

August 7, 1954

To: Abbeville, W. B. Hill
Cowan, Donald I. Beal
Darlington, F. P. Mullendore
Drayton, G. G. Simmons
Dutchess, A. D. Demon
Ex.-Union, C. E. Anderson
Ex.-Clemson, W. A. Newton
Ex.-Ruth., R. H. Jones
Ex. Fin. Plt., H. B. Risher
Farnsworth, Joe Meehan
Gaffney, J. M. Jackson
Gayley, W. S. Manning
Gerrish Mil., L. J. Fisher
Hartsville, J. A. Garner
Hatch, L. J. Craig
Johnston, T. E. Peden
Jonesville, H. G. Hester
Judson, J. M. Bailey
Kingsley, W. E. Thrailkill
Laurens, George Asnip
Lockwood, H. F. Staples
Lockhart, J. A. Ferguson
Monarch, L. C. Ellis
Ottaray, H. L. Pratt
McCormick, F. A. Thompson
Pacolet 3 & 5, C. T. Holland
Pacolet 4, George Baker
Pacolet 6, W. F. Garth

CC. Mr. Randolph Brandt
Mr. E. O. Defore
Mr. Harry Defore
Mr. R. C. Edwards
Mr. E. H. Hines
Mr. K. M. Lowry
Mr. Roger Milliken
Mr. Russell Newton
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. H. W. Scott
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. S. L. Smith
Mr. M. C. Stone
Mr. W. B. D. Stroud
Mr. T. D. Truluck

From: Hal C. Byrd

Subject: Cleaning Equipment

General Counsel Exhibit G-15

With reference to our letter of July 26, 1954, Mr. Lowry and I have reviewed our entire program for studying potentials for cleaning equipment in the main areas, namely, frame cleaners, ceiling cleaners, and loom cleaners.

This program has been set up so that the scheduling of vendor visits to the plants will be handled by Mr. H. W. Scott of this department. This will be coordinated with D.M.I.E.D., who will prepare the specifications.

The following vendors will be called in on schedule to visit each mill to discuss any area of cleaning with which the mill is interested.

LOOM CLEANERS	FRAME CLEANERS	CEILING CLEANERS
Cleveland Tramrail	American Monorail	American Monorail
American Monorail	Parks-Cramer	Parks-Cramer
Parks-Cramer		Louden
		Bahnson

Mr. Scott will coordinate these visits with the mills, making it as convenient as possible.

You will note that in every case we have more than one vendor involved for competition and, in line with our present thinking, we do not want any special interest shown in any one particular manufacturer's equipment.

We are asking each vendor to prepare five (5) copies of their recommendations and proposals to be distributed as follows: Four (4) copies to this Department, and one (1) copy to the mill.

After all proposals are analyzed with respect to any one mill, the Purchasing Department will forward two copies of the analysis of the best bid showing the various components of the job to the mill in order that return on investment can be calculated. As was indicated by Mr. Milliken in the recent meetings, he would like for each mill to calculate the return on investment as soon as possible. If the return

is favorable, a request for capital authorization should be prepared and submitted according to the established procedure.

As soon as authorization is approved, a requisition should be sent to the Purchasing Department, to Mr. Scott's attention, with one (1) copy of the cost analysis approved by the mill.

HCB/mtw

[redacted]

General Counsel Exhibit G-19

Greenville, S. C.
September 27, 1955

MESSRS: DAN ARROWOOD
J. M. BAILEY
GEORGE BAKER
L. C. ELLIS
J. A. FERGUSON
W. A. GOODWIN
J. M. JACKSON
TOM JOLLY
ROGER MILLIKEN
ALFRED NEW
J. J. NORTON
J. M. OELAND
IRA PITTS
G. T. RANKIN
A. B. SIBLEY
W. A. L. SIBLEY
G. SIMMONS
M. C. STONE
M. G. WALLACE

FROM: R. W. WISE

SUBJECT:

SUPPLIES—LOCKWOOD DIVISION

We want to take this opportunity to thank you for your cooperation in marking the items on the list of supplies located at Lockwood. Your prompt attention to this matter placed us in a very favorable purchasing position at the Lockwood sale and allowed us to evaluate the net worth of the supply items to the other Deering Milliken mills. The supply parts at auction sold for more money than we could justify and we, therefore, did not purchase them.

* * *

DEERING MILLIKEN
PURCHASING DEPARTMENT

R. W. Wise
R. W. WISE, Buyer

RWW:vsr

General Counsel Exhibit G-20

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT
P. O. Box 2327
Greenville, S. C.

November 15, 1956

To: Mr. E. G. Allee
Mr. C. E. Anderson
Mr. George Asnip
Mr. J. M. Bailey
Mr. D. I. Beal
Mr. S. J. Craig, Jr.
Mr. E. O. Defore
Mr. L. G. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. W. F. Garth
Mr. H. G. Hester
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. J. A. Meehan
Mr. W. H. Moore.
Mr. J. J. Norton, Jr.
Mr. R. C. Owings
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. B. Risher
Mr. J. V. Roberts
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. M. G. Wallace
Mr. R. H. Bush
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

From: Hal C. Byrd

Attached is a catalog for the Darlington sale to be held December 12 and 13, 1956. Will you please review this and let us have a list of items on which you wish us to bid at

the sale for your mill. Please return the list to us promptly, as we would like to have an opportunity to discuss these with you prior to the sale.

HCB

HCB:mtw

cc: Mr. Roger Milliken
Mr. W. A. L. Sibley
Mr. A. B. Sibley
Mr. M.C. Stone

Respondents' Exhibit G-3

DEERING MILLIKEN SERVICE CORPORATION
PURCHASING DEPARTMENT
P. O. Box 2327
Greenville, S. C.

November 28, 1956

To: Drayton, Mr. T. C. Jolly
Gaffney, Mr. George Rankin
Hartsville, Mr. D. R. Arrowood
Judson, Mr. A. G. New
Laurens, Mr. Jack Armstrong
Lockhart, Mr. J. A. Ferguson
Monarch, Mr. L. G. Ellis
Ottaray, Mr. H. L. Pratt
Pacolet 3 & 5, Mr. C. T. Holland
Pacolet 4, Mr. J. M. Jackson
Pacolet 6, Mr. W. F. Garth

Copy to: Mr. I. S. Pitts
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone
Mr. J. M. Oeland
Mr. T. B. White

From: Hal C. Byrd

Subject: Draper and Saco-Lowell Parts—Darlington

Attached is a list of Draper loom parts and Saco-Lowell carding and spinning parts located at Darlington. In accordance with our telephone conversation, these parts are offered to you at a discount of 25% on the Draper parts and 20% on the Saco-Lowell parts from prices shown on list. This is the same as the offer made by Draper and Saco-Lowell to Darlington

As discussed with you, we are most anxious to sell these parts to the D. M. mills rather than return them to the vendor, if possible.

Respondents' Exhibit G-3

Please have the list reviewed thoroughly and telephone your orders in to Tom White of this department Saturday morning.

The freight on these parts will be prepaid to your mill.

HCB
w.

HCB:mtw

General Counsel Exhibit H-1

DEERING MILLIKEN SERVICE CORPORATION
COTTON WASTE DEPARTMENT
COTTON DEPARTMENT
Union, S. C.

To: Mr. J. M. Bailey
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

DATE: August 16, 1956

COPIES TO: Mr. Roger Milliken
Mr. Minot Milliken

FROM: T. D. Truluck

SUBJECT: General Cotton Comments—
Read at your Leisure

* * *

As we begin the new season, I am going to try to keep each of you posted as to what is going on regarding cotton and its movement, and what our competitors are doing cottonwise.

* * *

General Counsel Exhibit H-2

COTTON DEPARTMENT
DEERING MILLIKEN SERVICE CORPORATION
Union, S. C.

CC: Mr. Lancaster
Mr. Tucker

Date: January 8, 1955

To: Mr. J. M. Qeland

From: T. D. Truluck

Subject:

* * *

There are many, many details involved in handling cotton for our mills which one cannot understand unless he has actually experienced it. However, we certainly appreciate your pointing this thing out and hope you will continue to do so, as we are most anxious to co-operate and cut corners and expenses everywhere possible.

Kindest regards.

T.D.T.

TDT/cl

Respondent's Exhibit H-3

February 22, 1955

Mr. T. D. Truluck
Cotton Department
Union, S. C.

Dear Tru:

We discussed when I was in your office Friday the advisability of buying some more eastern growth cotton. On returning to the mill I found that our ends down had improved we feel on the strength of getting out of our mix the eastern growth we have been using. It is my opinion this improvement was brought about by getting out big bale cotton from the mix rather than the eastern growth. On the other hand, I believe I would like to have you discuss with me before buying any more eastern growth cotton.

We are making plans to increase the amount of irrigated cotton in our mix in a test through our plant. Should this work out satisfactorily we will increase the irrigated in the mix. As stated to you, I think it would be wise to buy another 1000 bales of irrigated cotton as insurance to be sure we have sufficient cotton to get well into the new crop.

Very truly yours,

J. M. OELAND
Treasurer

jme-m
cc: W. S. Hawkins

General Counsel Exhibit H-4

October 22, 1955

Mr. Jim Oeland
Darlington Manufacturing Company
Darlington, South Carolina

Dear Jim:

I tried to call you this morning but they told me you were away until Monday. I came into Memphis yesterday and have been looking over the situation, and it certainly is not any better than Billy Barrett has been telling me. The white cotton is just not here. We know of one lot of Middling and better that may come up for sale in the next day or two. If it does come on the market we might be able to buy it at 37.00, which means about 38.35 landed at the Mill. Will buy this lot if possible and then split it up among you Mills.

* * *

Very truly yours,

Mr. T. D. Truluck

CC: Mr. B. M. Yates

General Counsel Exhibit H-7

November 14, 1956

Mr. J. M. Oeland
Darlington Mfg. Company
Darlington, S. C.

Dear Jim:

As per your letter of the 13th, we are asking the Commission Houses to make final settlement with you immediately on such accounts.

Francis Lancaster and Mr. Watford are in the process now of switching your stocks over, and as soon as we receive invoices from you, which we understand are now being prepared, we will have our Memphis Office remit to you for same. We figure it will be much easier to handle this way and then we can reinvoice and reapply the cotton to the various mills so that each will get their equitable disposition of the various qualities.

There may be a few days transpiring between the receipt of the invoices and remittances due to the fact that Memphis is the only office that can handle the exchange of money, etc. Upon receipt of the invoices, the storage at Cotton Blossom will be stopped as far as Darlington Manufacturing Company is concerned, with Cotton Blossom billing you for all accumulated storage.

Kindest regards.

Yours very truly,

T. D. Truluck

cc: Mr. C. L. Watford
TDT/cwc

AUTHORIZATION FOR CAPITAL EXPENDITURE

DATE

DIVISION:

DEPARTMENT:

LOCATION:

TITLE:

SCOPE:

PROJECT NO. 14-52

ESTIMATED STARTING DATE

ESTIMATED COMPLETION DATE

CREATED REVIEW DATE

General Counsel Exhibit I-2

DEERING MILLIKEN SERVICE CORPORATION
Fiber Quality Control and Research Department

Date: June 1, 1956

To:

Mr. C. E. Anderson	Mr. W. S. Manning
Mr. George Asnip	Mr. J. A. Meehan
Mr. J. M. Bailey	Mr. Wm. H. Moore
Mr. D. I. Beal	Mr. J. J. Norton, Jr.
Mr. S. J. Craig, Jr.	Mr. J. M. Oeland
Mr. E. O. Defore	Mr. T. E. Peden
Mr. R. C. Edwards	Mr. I. S. Pitts, Jr.
Mr. L. C. Ellis	Mr. H. L. Pratt
Mr. J. A. Ferguson	Mr. H. B. Risher
Mr. L. J. Fisher, Jr.	Mr. G. G. Simmons
Mr. Winston Garth	Mr. F. A. Thompson
Mr. C. T. Holland	Mr. W. E. Thrailkill
Mr. J. M. Jackson	Mr. M. G. Wallace

From: Harry Defore

Subject: Quality Control Program—Mr. Milliken's Memo 5/22/56

We have had several requests as to the personnel that a mill will need for this type program. While the personnel requirements will vary according to the nature of the mill, we think the only needed personnel which may require time to secure, in case the mill does not already have them, is a good technical superintendent and a good laboratory director. In the case of a smaller mill, one man may be able to handle rather than the two. A knowledge of statistics, through charting, will be needed by these men but you have been furnished statistical manuals for this purpose.

In addition to these there will be needed technicians for the laboratory and frequency checkers over and beyond those normally required for the institution and maintenance

of standards. In the case of Monarch, 87,000 spindles and 2165 looms, 2 lab technicians and 6 frequency checkers are being added. After the program is completed, it may be possible to reduce the number of lab technicians and frequency checkers required.

Since our program is still in its formative stage and will be so at best up until the July 16 meeting there is not too much that we can offer you should you wish to visit here prior to that time. In case you still would like to do so, however, please contact Mr. Ellis of Monarch.

Harry Defore

HD:rh

cc: Mr. K. M. Lowry
Mr. R. B. Newton
Mr. Sterling L. Smith
Mr. T. D. Truluck
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. Roger Milliken

General Counsel Exhibit I-3

January 19, 1956

Mr. Harry DeFore
Cotton Department
Union, S. C.

Dear Harry:

When Mr. Roger Milliken was here this week there were two things he asked us to look into immediately and have an answer by February 6th when we have a treasurers' meeting.

He is very anxious for us to consider the purchase of some Rieter warp spinning frames to fill in some spare floor space in our card room. We plan to purchase around 5000 spindles. He suggested that I contact Jesse Jackson as Jesse had recommended the purchase of this type frame for Laurens. He further stated that you were making some tests in your pilot plant of this type equipment. We would appreciate very much your bringing us up to date on where the matter stands and your opinion as to this type spinning against Saco-Lowell and Whitin. Our preference, of course, would be to get either the Saco-Lowell or Whitin as we have frames in the mill of these two makes and do not want to add a third make unless it is a good move. On the other hand, as you know, it is useless to tell Mr. Milliken this if he gets his head set.

The other question was again the Duo-Roth against the Whitin or Roberts two apron system. It is possible that a deal can be worked out where the price of the Duo-Roth will be brought nearer in line with the Roberts and Whitin. On the other hand, I have gathered at Hartsville that they like the Whitin better than their Duo-Roth installation.

General Counsel Exhibit 1-3

We had not planned here to put the double apron system on our warp until we had investigated further the savings possible. Mr. Milliken seems very interested in our doing something about it and wants us to buy the Duo-Roth. We would appreciate your comments and advice. We realize you have written this on several occasions and we are only asking now for up-to-date information.

Very truly yours

J. M. Oeland
Treasurer

jmo-m
cc: Mr. Hawkins
Mr. Goodwin

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
January 19, 1955

To: All Treasurers, Managers, and Superintendents.

CC: All Personnel Managers
Mr. C. G. Johnson
Mr. K. M. Lowry
Mr. Roger Milliken

From: Sterling L. Smith

Subject: 1954 Annual Labor Turnover.

The net separations show an improvement from 26.7% in 1953 to 23.8% in 1954, despite an 8.1% reduction in personnel. Seven mills (marked A) show an increase which is more than accounted for by a net reduction in personnel. Only two mills (marked B) show an increase in separations despite an increase in personnel.

We have discontinued the figure of gross separations because the excluded items---returns to school and entered service---vary substantially between mills. We continue to show these detailed figures by mill.

This is the first time we have shown the figure of reduction in personnel (which is the net reduction after excluding transfers). We show this figure in red---to be subtracted from the net separations---where it is a reduction, and black where there has been an increase.

The improvement, after allowing for personnel reduction, has been particularly marked at

Darlington
Gaffney
Monarch Group
Pacolet Group
All Rayon Mills
Hatch

The only mills continuing with a figure over 20% for net separations less personnel reduction are

Hartsville
Lockwood
Gerrish Milliken
Excelsior Finishing
Excelsior Rutherfordton
Excelsior Union
Farnsworth

General Counsel Exhibit J-1

nsel Exhibit J-1

I/19/55.

LABOR TURNOVER 1954 CALENDAR YEAR

Mill	Average No. of Employees	Separations Excluded: Returns To School	Separations Excluded: Entered Service	Net Separations	1954 % Net Separations
Cotton Mills					
Darlington	605	12	13	108	17.9
Gaffney	768	14	1	73	9.5
Hartsville	531	11	9	189	32.5
Lockhart	875	6	11	123	14.1
Lockhart Power	75	-	-	3	4.0
Monarch	936	12	12	93	9.9
Ottaray	331	4	10	39	11.8
Monarch Group	(2,217)	(22)	(33)	(255)	(11.5)
Gainesville	827	8	10	133	16.1
New Holland	1,404	22	20	186	13.2
Pacolet #3 & #5	1,408	7	12	129	9.2
Pacolet Group	(3,639)	(37)	(42)	(448)	(12.3)
Dutchess	349	3	3	72	20.6
Lockwood	740	3	11	498	67.3
Lockwood/Dutchess	(1,089)	(6)	(14)	(570)	(52.3)
Total	8,899	102	112	1,643	18.5
Rayon Mills					
Clemson	410	9	4	93	22.7
Drayton	1,208	10	4	195	16.1(A)
Gayley	193	2	6	140	72.5(A)
Gerrish Milliken	346	6	7	145	41.9
Judson	1,839	7	35	643	35.0(A)
Kingsley	174	4	2	90	51.7
Laurens	954	2	8	232	24.3(A)
Total	5,124	40	66	1,538	30.-(A)
Woolen Mills					
Abbeville (& W.P.)	1,242	43	33	194	15.6
Johnston	458	-	7	341	74.5(A)
McCormick	629	3	14	179	28.5(A)
Finishing	392	4	2	121	30.9
Worsted Group	(1,479)	(7)	(23)	(641)	(43.3)
Hatch	358	17	17	34	9.5
Rutherfordton	104	7	1	37	35.6(B)
Union	394	36	6	90	22.8(B)
Woolen Group	(856)	(60)	(24)	(161)	(18.8)
Cowan	185	-	-	44	23.6
Farnsworth	394	5	1	102	25.6(A)
Cowan/Farnsworth	(579)	(5)	(1)	(146)	(25.2)
Total	4,156	115	81	1,142	27.5
GRAND TOTAL	18,179	257	259	4,323	23.8

LABOR TURNOVER 1954 CALENDAR YEAR

Average No. of Employees	Separations Excluded: Returns To School	Separations Excluded: Entered Service	Net Separations	1954 % Net Separations	Note - 1954 % Reduction In Personnel (Excl. Transfers)	1953 % Net Separations
605	12	13	108	17.9	1.5	23.0%
768	14	1	73	9.5	.8	15.3
581	11	9	189	32.5	2.8	34.7
875	6	11	123	14.1	3.4	33.5
75	-	-	3	4.0	2.7	6.8
936	12	12	93	9.9	3.3	17.3
331	4	10	39	11.8	1.8	16.5
(2,217)	(22)	(33)	(255)	(11.5)	(2.9)	(23.2)
827	8	10	133	16.1	1.9	26.2
1,404	22	20	186	13.2	3.8	23.9
1,408	7	12	129	9.2	4.5	19.5
(3,639)	(37)	(42)	(448)	(12.3)	(3.6)	(22.7)
349	3	3	72	20.6	4.3	24.7
740	3	11	498	67.3	.4	74.3
(1,089)	(6)	(14)	(570)	(52.3)	(1.7)	(59.1)
8,890	102	112	1,643	18.5	2.6	27.8
410	9	4	93	22.7	5.1	25.2
1,208	10	4	195	16.1(A)	11.7	14.9
193	2	6	140	72.5(A)	58.0	52.6
346	6	7	145	41.9	12.1	50.1
1,839	7	35	643	35.0(A)	32.8	23.5
174	4	2	90	51.7	34.4	56.1
954	2	8	232	24.3(A)	20.0	21.9
5,124	40	66	1,538	30.-(A)	22.8	26.0
1,242	43	33	194	15.6	.7	18.7
458	-	7	341	74.5(A)	60.9	25.0
629	3	14	179	28.5(A)	10.0	19.1
392	4	2	121	30.9	39.-	51.7
(1,479)	(7)	(23)	(641)	(43.3)	(12.8)	(29.1)
358	17	17	34	9.5	30.7	45.3
104	7	1	37	35.6(B)	2.9	9.6
394	36	6	90	22.8(B)	9.4	20.0
(856)	(60)	(24)	(151)	(18.8)	(17.5)	(27.6)
185	-	-	44	23.8	11.9	29.0
394	5	1	102	25.6(A)	3.8	23.4
(579)	(5)	(1)	(146)	(25.2)	(6.3)	(25.4)
4,156	115	81	1,142	27.5	1.6	25.4
18,170	257	259	4,323	23.8	8.1	26.7

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
March 9, 1956

To: All Treasurers, Managers and Superintendents

CC: All Personnel Managers
Mr. C. G. Johnson
Mr. K. M. Lowry
Mr. Roger Milliken

From: Sterling L. Smith

Subject: 1955 Annual Labor Turnover

The 1954 report showed 23.8% net separations. The exclusion of Lockwood-Dutchess adjusts this to 22.0%.

1955 is virtually the same at 22.3%. But actually there has been some retrogression since there was only a 3.3% net reduction in personnel in 1955 compared to the 8.1% in 1954.

1955 performance was rather mixed--11 mills showing improvement when all factors are considered, the other 15 being somewhat worse.

Three mills (marked AA) show an improvement in net separations and their improvement is real after taking account of the personnel reduction in the two years. Eight mills (marked A) show an increase in the percentage in net separations but this is accounted for by an increase in the personnel reductions.

Another point of significance is that twelve mills (marked X) show more than 20% net separations less personnel reduction. These are the mills which appear to have more to work on and we perhaps should be concerned that this number 12 compares with only 6 for 1954 (after eliminating Lockwood).

SLS

SLS:de

General Counsel Exhibit 72

3/8/56

General Counsel Exhibit J-2

LABOR TURNOVER - 1955 CALENDAR YEAR

Mill	Average No. Of Employees	Separations Excluded: Returns To School	Separations Excluded: Entered Service	Net Separations	1955 % Net Separations
Cotton Mills					
Darlington	597	6	4	151	25.3 (X)
Gaffney	731	10	4	89	12.2 (A)
Hartsville	951	-	13	190	34.5 (A) (X)
Lockhart	829	6	7	120	14.5 (A)
Lockhart Power	69	-	1	5	7.2 (A)
Monarch	986	20	14	124	12.6
Ottaray	306	3	6	41	13.4 (A)
Monarch Group	(2,386)	(34)	(32)	(320)	(13.2)
Gainesville	831	6	11	228	27.4 (X)
New Holland	1,393	28	8	326	23.4 (X)
Pacolet # 3 & 5	1,760	38	18	179	12.3
Pacolet Group	(3,984)	(72)	(37)	(733)	(19.9)
Total	7,753	122	90	1,453	18.7
Rayon Mills					
Clemson	416	16	4	102	24.5 (X)
Drayton	1,110	9	11	148	13.3
Gayley	189	-	1	92	48.7 (X)
Gerrish Milliken	405	6	3	173	42.7 (X)
Judson	1,500	14	20	351	23.4 (X)
Kingsley	165	1	2	42	25.5 (X)
Laurens	832	6	9	145	17.4 (AA)
Total	4,617	52	50	1,053	22.8
Woolen Mills					
Abbeville (& W.P.)	1273	40	25	183	14.4 (AA)
Johnston	347	-	1	118	34.
McCormick	568	6	12	321	56.5 (X)
Finishing	471	15	3	184	39.1 (A)
Worsted Group	(1,286)	(21)	(16)	(623)	(48.)(A)
Hatch	398	23	6	115	28.9 (A) (X)
Rutherfordton	102	-	-	20	19.6 (AA)
Unica	399	39	1	85	21.3 (AA)
Woolen Group	(899)	(62)	(7)	(220)	(24.5)(A) (X)
Cowan	195	-	-	51	26.2
Farnsworth	388	6	1	94	24.2 (X)
Cowen/Farnsworth	(583)	(6)	(1)	(145)	(24.9) (X)
Total	4,141	129	49	1,171	28.3 (A)
GRAND TOTAL	16,511	303	189	3,677	22.3

LABOR TURNOVER - 1955 CALENDAR YEAR

Separations Excluded: rns hool	Entered Service	Net Separations	1955 % Net Separations	Note-1955 % Reduction In Personnel (Excl. Transfers)	1954 % Net Separations	Note-1954 % Reduction In Personnel (Excl. Transfers)
6	4	151	25.3 (X)	1.-	17.9	1.5
0	4	89	12.2 (A)	5.9	9.5	.8
-	13	190	34.5 (A) (X)	5.1	32.5	2.8
6	7	120	14.5 (A)	4.1	14.1	3.4
-	1	5	7.2 (A)	11.6	4.-	2.7
20	1	124	12.6	5.2	9.9	3.3
3	6	41	13.4 (A)	7.5	11.8	1.8
3)	(32)	(200)	(13.2)	(.6)	(11.5)	(2.9)
6	11	228	27.4 (X)	.5	16.1	1.9
8	8	326	23.4 (X)	.8	13.2	3.8
38	18	179	12.3	4.5	9.2	4.5
72)	(37)	(733)	(19.9)	(1.6)	(12.3)	(3.6)
22	90	1,453	18.7	.3	13.7	2.8
16	4	102	24.5 (X)	3.6	22.7	5.1
9	11	148	13.3	2.-	16.1	11.7
-	1	92	40.7 (X)	4.2	72.5	58.-
6	3	173	42.7 (X)	.2	41.9	12.1
14	20	351	23.4 (X)	.5	35.-	32.8
1	2	42	25.6 (X)	.6	51.7	34.4
6	9	145	17.4 (AA)	13.2	24.3	20.-
52	50	1,053	22.8	2.2	30.-	22.8
40	25	183	14.4 (AA)	3.5	15.6	.7
-	1	118	34.-	19.6	74.5	60.9
6	12	321	56.5 (X)	34.9	28.5	10.-
15	3	184	39.1 (A)	21.7	30.9	39.-
21)	(16)	(623)	(49.-)(A)	(26.5)	(43.3)	(12.8)
23	6	115	28.9 (A) (X)	4.-	9.5	30.7
-	-	20	19.6 (AA)	2.9	35.6	2.9
39	1	85	21.3 (AA)	4.3	22.8	9.4
62)	(7)	(220)	(24.5)(A) (X)	.4	(18.8)	(17.5)
-	-	31	26.2	7.2	23.8	11.9
6	1	94	24.2 (X)	.5	25.6	3.8
(6)	(1)	(145)	(24.9) (X)	(2.1)	(25.2)	(6.3)
129	49	1,171	28.3 (A)	(10.4)	27.5	1.6
303	189	3,677	22.3	(3.3)	22.-	8.1

1520

General Counsel Exhibit J-3

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
August 5, 1955

To: Cotton Treasurers, with copies to Managers or Superintendents.

From: Sterling L. Smith

Subject: *Overhead Labor Report* —Cotton—at 6/12/55

CC: Mr. Roger Milliken
Mr. K. M. Lowry
Mr. H. C. Byrd
Mr. R. B. Newton

The attached report shows that actual personnel continues to increase by slightly more than warranted by the increase in style variety, installed equipment and volume.

	Current			Inc./Dec. Due to	
	Actual	Over/ Under	Inc./Dec. vs. 11/30/54	Actual Personnel	"Competitive" Basis
Supervision	245.3	21.3	3.9	6.5	2.6
I.E. & Lab	75.5	9.7	.6	3.5	2.9
Office	91.8	2.3	1.	1.	—
Sub-Total Salaries	412.6	33.3	5.5	11.	5.5
Comparable Hourly	737.8	117.4	.4	.8	1.2
Total Comparable	1,150.4	150.7	5.9	10.2	4.3
Special Order	59.5	—	(32.3)	(32.3)	—
Village	15.	.6	4.0	5.5	1.5

The overall position by mill is

	Actual	Over/ Under	Details of Over/Under			
			Supv.	IE & Lab	Office	Hourly
Darlington	92.	17.4	4.1	5.1	.2	8.4
Gaffney	127.	17.5	2.8	2.	.8	11.9
Hartsville	91.7	18.3	4.5	.6	1.9	15.1
Lockhart	123.	15.8	4.4	—	2.4	9.
Monarch	168.7	17.6	6.6	.7	2.4	7.9
Ottaray	47.	6.2	1.5	—	—	4.7
Group Total	338.7	39.6	12.5	.7	4.8	21.6
Gainesville	126.2	18.2	2.1	2.9	1.5	15.9
New Holland	182.3	22.3	3.9	.5	2.8	28.5
Pacolet	192.5	17.4	3.4	2.1	.1	16.
	501.	57.9	2.6	1.3	1.2	60.4

SLS:mci

General Counsel Exhibit J-4

December 29, 1955

To: Mr. Sterling L. Smith

From: Darlington Mfg. Co.

Subject: Labor Complement

In discussing our labor complement yesterday, it was noticed that personnel assigned to the sweeping task has been increased over previous reports, particularly in our Carding & Spinning departments.

From talking with Mr. Goodwin concerning these cleaners, it is understood that the increased number have been added on a semi-temporary basis, in an effort to return the mill to a cleaner basis during the present period of major machinery changes in the mentioned departments.

D. W. Barrett

DWB/dt
cc: Mr. W. A. Goodwin

General Counsel Exhibit J-5

Deering Milliken Service Corp.
Cost Department
Box 1698
Greenville, South Carolina
March 3, 1956

To: All Treasurers and Managers

From: Sterling L. Smith

CC: Mr. H. C. Byrd
Mr. K. M. Lowry
Mr. Roger Milliken
Mr. Russell Newton

Subject: Overtime Premium

We recently asked all mills to report on overtime practice in connection with holidays. This can be summarized as follows:

1. *All mills* pay time and a half for work on a holiday.
2. If the holiday worked falls in the first 40 hours actually worked by an employee, *all mills* also pay time and a half on any hours worked over 40.
3. If the holiday worked occurs *after* 40 hours have been worked by the employee, *practice varies,* as shown by this example:

Hours Worked							Hours Paid	
Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.	Total	A	B
8	8	8	8	8	8	48	52	56

Holiday

A. Paid by—*Gaffney*

Excelsior-Clemson
Gayley
Gerrish Milliken
Judson
Laurens
Kingsley

B. Paid by all other mills in S. C., N. C., Georgia and Maine. (Machias and Jonesville not reporting.)

SLS:de

General Counsel Exhibit J-6

Deering Milliken Service Corporation
Cost Department
Box 1698
Greenville, South Carolina
July 19, 1956

CONFIDENTIAL

To: Messrs. George Asnip
E. O. DeFore
J. A. Meehan
J. J. Norton, Jr.
J. M. Oeland
I. S. Pitts, Jr.
A. B. Sibley
W. A. L. Sibley
G. G. Simmons
M. C. Stone

CC: Messrs. R. L. Collett
Harry Defore
C. G. Johnson
K. M. Lowry
Roger Milliken
R. B. Newton
Henry Sloan

CC: Messrs. C. E. Anderson
J. M. Bailey
D. I. Beal
L. C. Ellis
J. A. Ferguson
L. J. Fisher
W. F. Garth
C. T. Holland
J. M. Jackson
W. S. Manning
W. H. Moore
R. C. Owings
T. E. Peden
H. L. Pratt, Jr.
H. B. Risher
F. A. Thompson
W. E. Thrailkill
T. D. Truluck
M. G. Wallace
A. G. New
S. J. Craig, Jr.

From: Sterling L. Smith

Subj: Pay For College Trainees and For Supervisors Not On Salary

Some time ago I was asked to determine the legally permissible methods of payment for these employees which provide minimum guaranteed weekly income, which hold additional payments for overtime work as low as possible, and which do not require inclusion of these employees in the retirement plans.

General Counsel Exhibit J-6

I have discussed this at length with Henry Sloan. Several alternatives are possible for each of these employee classes. There is possible no completely simple and foolproof plan—each plan has some restrictions which must be observed carefully if you are to avoid difficulty but I do not believe any of these restrictions are really complicated or burdensome. There is a fairly wide range of choice and I would think each mill could use whichever plan it likes the best.

Following is a summary of the available plans. I attach a discussion of each plan.

I. *Trainees*

A. *48-Hour Guarantee*—This is the plan Mr. C. G. Johnson covered in his memorandum of November 28, 1955. It is the best and simplest plan if you can in fact provide at least 48 hours of work every week, apart from regular holidays.

B. *40-Hour Guarantee*—This is probably too costly for us to use, but it is the only plan without any administrative complications. Those large companies we hear of giving trainees an unrestricted guaranteed flat salary probably use this plan.

C. *Fluctuating Work Week*—Under this plan you could make positive guarantee of a fixed weekly minimum with a probable average earnings of from 5% to 8% higher depending upon your mill's condition and the details of your specific plan selected.

II. *Non-Exempt Supervisors*

Any of the plans suggested for trainees could be applied to non-exempt supervisors.

General Counsel Exhibit J-6

III. *Exempt Supervisors*

All these plans involve payment of a stated amount per shift with a guaranteed minimum per week.

A. You can maintain today's earnings pattern with 6-day operation paying approximately 30% more than 5-day operation, with the normal 5-day earnings as the guaranteed minimum and avoiding any fluctuation in earnings for minor variations in working hours.

B. You could modify the present earnings pattern so that 6-day operation would pay only 20% more than the minimum guarantee for 5-day operation or less. Presumably this would be established with the minimum guarantee set at 83.3% of the present 6-day earnings rather than at the present ratio of about 77%.

C. Under either of these plans, whole or half-shifts beyond 6 could be paid for at the same rate as the 6th shift or at a higher or lower rate.

D. It would be inadvisable to narrow the differential between 5—and 6—day operation much, if any, below the level suggested in Plan B above.

I believe that these are all the alternatives which are practically available to us to do what we want to do. I will be glad to discuss this with you or any of your staff if you wish.

STERLING L. SMITH

Sterling L. Smith

SLS:de
Att:

General Counsel Exhibit J-6

EXPLANATION OF PLANS

I. *Trainees*

A. 48-Hour Guarantee—Last November 28th Mr. C. G. Johnson issued a general letter on the subject of "Trainee Agreement" to each mill manager with copies to the treasurers. This agreement used the term "salary". You might wish to change this to "guaranteed weekly wage". The agreement was a draft which could be modified as to days of leave permitted and, of course, with the correct figures inserted for the rate applicable to the individual man.

* * *

III. *Exempt Supervisors*

Most of your supervisors not on salary (second hands, shift overseers; etc.) can be classified as "exempt" under the Wage and Salary Regulations, apart from the present pay methods. Whether any individual so qualifies has to be determined by applying the regulations to the facts of his case, as you are aware.

The plans which meet this situation best are some variation of the plan which has been used for several years by Drayton. This is basically a payment of a stated fixed amount per shift with a guaranteed minimum per week.

* * *

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
February 15, 1955

To: Cotton Mill Treasurers with copies to Managers and Superintendents.

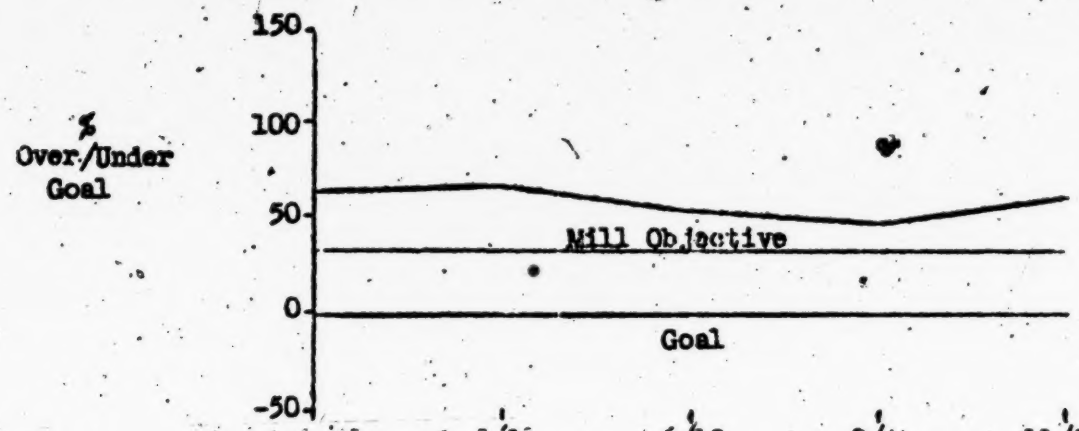
CC: Mr. Roger Milliken
Mr. H. C. Byrd
Mr. K. M. Lowry
Mr. Russell Newton

From: Sterling L. Smith

Subject: Fixer Section Supplies Report - Cotton - 12 Weeks to 11/30/55.

Detailed reports and charts are attached.

In this quarter, costs generally increased, wiping out the gains of the two prior quarters, as shown by the summary chart below.



to Managers and Superintendents.

Mr. H. C. Byrd
Mr. K. M. Lowry
Mr. Russell Newton

From: Sterling L. Smith

Subject: Fixer Section Supplies Report - Cotton - 12 Weeks to 11/30/55.

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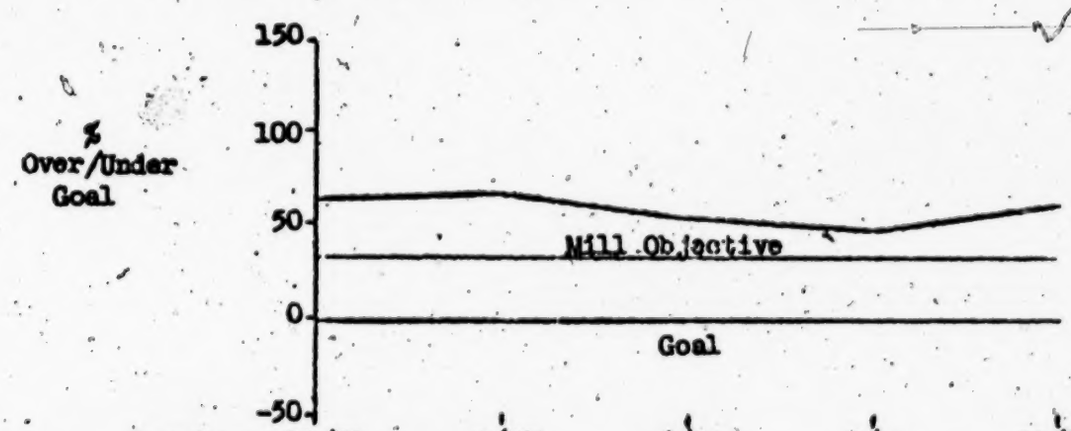


Quarter:	11/30	3/20	6/12	9/4	11/30	Year
Total Fixer Section Supplies:	$177,780	$232,960	$166,424	$157,196	$176,826	$733,406
Cost Per 1000 Loom Hours:	8.71	8.73	8.16	7.85	8.56	
Amount Over Goal:	70,384	93,575	58,654	50,780	67,672	$270,681
Improvement Over Base: (Annual Rate)	BASE	13,902	40,926	72,288	4,627	

It remains to be seen whether this was a temporary increase brought about by the preventive maintenance program and from which future large gains will result.

For the quarter, all mills showed increased costs except Ottaray and New Holland.

Over the year, cost reduction was shown by Gaffney (11%), Lockhart (10%), Monarch (22%), Ottaray (15%), and New Holland (5%). Others increased.

Gaffney and Monarch achieved their own 4th quarter objectives, Gaffney throughout the year and Monarch during the last three quarters.

Gaffney was below the "goal" level during the entire year by 15% ($7,790). The other Southern mills were over the goal by 5%---a total of $278,471---an average of $34,800 per mill.

SLS:mcj
Attach.

General Counsel Exhibit J-8

Deering Milliken Service Corp.
Cost Department
P. O. Box 1698
Greenville, South Carolina
March 29, 1956

To: Cotton Mill Treasurers with Copies to Managers and Superintendents.

CC: Mr. H. C. Byrd
Mr. K. M. Lowry
Mr. Roger Milliken
Mr. Russell Newton

From: Sterling L. Smith

Subject: *Fixer Section Supplies Report—Cotton—24 Weeks to 11/27/55.*

This half-year report shows improvement over the preceding half-year. *For the first time in three years,* the group total has achieved a new low level of cost—by a small margin—compared with levels reached at December 28, 1952. Four mills—Gaffney, Monarch, Gainesville and New Holland—are responsible for this break-through. Gaffney continues below goal as it has for several years. Monarch has been making steady improvement and is now down to 14% over goal. Darlington is just slightly above its 1952 level.

One thing struck me so forcibly I could hardly believe it. Only three mills are below the average of 45% while there are six above the average. It hardly seemed possible that this could be correct. I then discovered that the three below average—Darlington, Gaffney, and Monarch—averaged only 9.5% of goal. For the group this would mean an annual rate of only $47,125—an improvement of $175,676. In other words, this $175,000 annually is there waiting to be saved by these other six mills only by doing what the other three mills are now averaging.

General Counsel Exhibit J-8

Following are some comparative figures. Detailed sheets are attached.

	Performance Over Goal			
	24 Wks. to 11/27/55		12 Wks. To 12/28 1952	28 Wks. to 6/12/55 Annual Rate
	Annual Rate	%		
Darlington	$8,519	25%	23%	$12,086
Gaffney	4,095	8%**	3%	8,654
Hartsville	19,666	78%	62%	16,425
Lockhart	53,218	91%	88%	61,252
Monarch	11,750	14%**	52%	15,459
Ottaray	21,361	81%	65%	17,944
Monarch	(86,329)	(51%)		(94,655)
Gainesville	31,408	50%**	109%	52,251
New Holland	33,965	46%**	53%	34,092
Pacolet #3 and 5	40,726	59%	42%	54,323
Pacolet	(112,099)	(52%)		(140,666)
Total	$222,807			$255,178
Goal	496,057			477,705
% Over Goal	45%		56%	53%

** Below 1952
— Below Anything Since Sept. 1953

SLS:de

General Counsel Exhibit J-9

April 25, 1956

Mr. Roger Milliken
234 South Fairview Avenue
Spartanburg, South Carolina

Dear Mr. Milliken:

I am ashamed that I lost the thread of my thoughts yesterday and failed to include two things I most particularly wanted to say.

I have to be thankful to Bob Edwards for his initial interest and unwavering confidence in the fundamental values of this type of management tool and in my ability effectively to adapt it to the special circumstances of the various Deering Milliken mills.

Probably few know that Bob Edwards built the Johnston and McCormick cost systems strong enough to emerge from a period of great abuse, as useful tools for George Asnip and Ted Rice. And Ted—not a Cost man at the time—was able to do such valuable work at Gerrish Milliken and then carry this on in the Worsted Group because he could refer to Abbeville as a practical example.

Alan Sibley mentioned the influence of the Abbeville information on his thinking and Ray Collett has said the same thing.

Abbeville's unique trade has made it understandably difficult for many to see the relevance of the "Abbeville system" to their own circumstances. It would be ungrateful in the extreme for me to fail to recognize that Abbeville was the first proving ground for this approach in Deering Milliken. Without this experience I would probably not be here, and the one thoroughly skilled man now available to work on this project is Clyde Simmons, from Abbeville.

Jack Fisher mentioned the things which he and I think we did wrong. I meant to add that Jack's basic approach and the way in which he

brought his people along was the vital spark which made a success of what very easily could have become just another sterile paper-work procedure. This will be true at every mill.

Sincerely yours,

STERLING L. SMITH
Sterling L. Smith

SLS:de

CC: Mr. George Asnip
Mr. James M. Bailey
Mr. H. C. Byrd
Mr. Harry Defore
Mr. R. C. Edwards
Mr. Lewis C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher
Mr. K. M. Lowry
Mr. R. W. McCullough
Mr. J. A. Mishan
Mr. Minot Milliken
Mr. Russell Newton
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. Ira S. Pitts
Mr. Horace Pratt
Mr. Alan B. Sibley
Mr. Garland G. Simmons
Mr. Marshall C. Stone

General Counsel Exhibit J-10

[Letterhead of]

DEERING MILLIKEN SERVICE CORPORATION
COST DEPARTMENT
P. O. Box 1698
Greenville, South Carolina

Confidential

To: Mr. J. M. Oeland

From: Sterling L. Smith

Subject: Standard Cost Program

Date: May 22, 1956

Copies to: Mr. K. M. Lowry

Confirming our discussion of May 16th, I believe that Don Barrett should be able to handle the installation of the cost and accounting procedures under the supervision of a staff man from this department. I think you are aware that we plan to have each one of our staff men handle installations at three mills simultaneously which is indicative of the amount of time we would be able to devote to your job.

This program will require the hiring of a man long enough before the start of the installation program so that he could be trained to take over almost all Don's existing duties. After completion of the installation, there would be a re-arrangement of work so that the purely clerical part of the work would be handled by others and Don would be able to hold down the job of Office Manager and mill Controller,

so to speak. He will continue to exercise close supervision over the cost as well as general accounting work and participate in management meetings concerned with cost and profit control. Between the cost of the man added and increases where jobs have become more exacting, your total added office costs will probably be about six or seven thousand dollars.

SLS:de

General Counsel Exhibit J-11

May 30, 1956

Mr. Sterling L. Smith
Box 1698
Greenville, S. C.

Subject: Standard Cost Program

Dear Sterling:

I appreciate your letter stating that you feel that Don Barrett should be able to handle the installation of the cost and accounting procedures under the supervision of your staff man.

We are very anxious to work with you on the proper timing of this change. We have Mr. C. L. Watford who presently is handling our accounting here who feels that he could take on some additional duties. Previous to his being placed in charge of the accounting he worked with Mr. Barrett on cost and knows something about this work. It is my opinion that if we could secure a competent girl capable of doing stenographic work, that we would be better strengthened in our organization than if we hired an additional man. This person could take off of Mr. Watford the paying of all invoices and could keep most of the routine books. Mr. Watford in turn can take over the responsibilities Mr. Barrett is handling on cost. This would free Don Barrett to work with your department in installing the new program.

I did not get clear whether we should proceed on this part of the program before securing additional personnel in the standards department to do the time study work. Mr. Hawkins is checking with several sources to secure the men we

anticipate needing on time study work. I realize it is like whistling in the dark, but at the same time it would be very helpful if we could secure one man who has had some training along this line in order to move along some faster with the big job we have here of studying each job in the plant. I do want you to know that we are working on this and would appreciate your letting me know whether we should immediately proceed to make the necessary changes to free Mr. Barrett and install this part of the program at the present time.

Very truly yours,

J. M. OELAND
Treasurer

jmo:m
cc: Mr. Lowry

General Counsel Exhibit J-12

[Letterhead of]

DEERING MILLIKEN SERVICE CORPORATION

COST DEPARTMENT

CONFIDENTIAL

P. O. Box 1698

Greenville, South Carolina

July 13, 1956

Mr. J. M. Oeland
Darlington Manufacturing Company
P. O. Box 514
Darlington, South Carolina

Dear Jim:

Because of your urgent desire to get started on the standard cost program, I want to tell you just where we stand.

Right now the time of Clyde Simmons—the only man I have qualified to supervise this work—is fully committed to the program at Judson and Ottaray. Judson has first priority as being already underway at the time of the meeting, and Ottaray was approved as the pilot installation for the Cotton group. As a matter of fact, the detailed work schedules we have prepared for these two mills call for more than Clyde's total time. So it is literally impossible for him to spend even half a day with any other mill without letting these two promised programs fall behind.

We have in training on the Judson program one mature man with cost background whom we were able to find within the DM organization; namely, Henry Hinton. Henry has been showing execellent progress during the two months he has been on the Judson program but it will be several

months before it will be prudent to assign him to supervise any new installation.

Since before the meeting which approved the program, we have been beating the bushes by all means, including three excellent personnel organizations, trying to find qualified men in the market. Our results to date are that we have two excellent prospects whom I hope to have signed up within the next week or two. But at best it will be two months before they have come with us and assimilated enough of our specific business and program to be assigned to supervising new installation programs.

While we are marking time, so to speak, waiting for the availability of qualified men, I will be working on certain forms and procedures which will be basic to the installations at all mills and likewise on certain policy decisions and will transmit these to your mill by the proper means as rapidly as they become completed. It is probable that the most satisfactory method will be to have a small meeting of representatives from the mills which will next take up the program.

I realize that it is galling to have to wait and seemingly sit idle and let time slip through your fingers. However, I have been through this same thing many times before and feel sure that waiting to do the job properly with qualified personnel, rather than rushing ahead under forced draft will give you the final results quicker, cheaper, and with much less confusion and friction.

* * *

Yours sincerely,

STERLING L. SMITH

Sterling L. Smith

SLS:de

CC: Mr. K. M. Lowry
Mr. Roger Milliken
Mr. A. B. Sibley

General Counsel Exhibit J-13

July 19, 1956

Mr. Sterling L. Smith
P. O. Box 1698
Greenville, S. C.

Dear Sterling:

We have your letter of July 13th stating that it will be from two to three months before we can actively start on our standard cost program at our mill. I am sorry that we jumped the gun as it was my understanding when you and Ken were here that we should immediately make plans to employ an extra person in the accounting department and two additional time study men. We found available a recent college graduate that we felt could handle the situation in the accounting department and went ahead and employed this person. At the present time we have made an offer to a man with some experience in time study work and are hoping that he will come with us. It is my understanding that we can go right ahead studying all the jobs in our plant and thus have available the budget to use in the standard cost system.

We note in your letter that you are working on drafting certain forms and procedures that will be basic to the installation in all mills, as well as certain policy decisions, and state that as soon as these are completed you will transmit them to our plant. We will look forward to receiving them. It is my thought that a lot of the procedure for gathering information will have to be set up in our plant and perhaps we could go ahead on making installa-

tion of these procedures. You do not state that we can expect the complete procedures you are presently working on but trust it will not be in the too distant future. It is my idea to send Don Barrett to Ottaray Mill and spend the day going over what is being accomplished in the plant there. If we could proceed with setting up plans for collecting the information we could get these installed in our plant and then be ready for budget comparisons, etc. when this phase of the work is installed by your men.

We would appreciate a word from you as to whether you feel we should continue along these lines, or had we better hold to everything for two or three months.

Very truly yours,

J. H. Oeland
Treasurer

Jmo-m
cc: Mr. Milliken
Mr. Lowry

General Counsel Exhibit J-14

Deering Milliken Service Corp.
Cost Department
Box 1698
Greenville, S. C.
August 21, 1956

To: Messrs.	D. W. Barrett	T. N. Hunnicutt	Les Pugh
	R. L. Collett	B. C. Jarrard	Francis N. Mabry
	R. B. Dozier	H. W. Krackenberger	J. W. Ouzts
	J. E. Ferguson	A. I. Lindblom	E. A. Rice
	Paul C. Franklin	L. E. McAlpine	A. C. Sorensen
	J. A. Garner	J. A. McArthur	H. A. Sturkey
	C. B. Gentry	Clyde Murchison	W. Fred Swann
	J. L. Hawrick	Nils Nielsen	W. Fred Williams
CC: Messrs.	E. G. Allee	H. G. Hester	I. S. Pitts, Jr.
	C. E. Anderson	C. T. Holland	H. L. Pratt, Jr.
	George Asnip	J. M. Jackson	H. B. Risher
	J. M. Bailey	T. C. Jolly	J. V. Roberts
	D. I. Beal	W. S. Manning	A. B. Sibley
	Phillips Byfield, Jr.	J. A. Meehan	W. A. L. Sibley
	S. J. Craig, Jr.	W. H. Moore	G. G. Simmons
	E. O. DeFore	A. G. New	M. C. Stone
	L. C. Ellis	J. J. Norton, Jr.	F. A. Thompson
	J. A. Ferguson	J. M. Oeland	W. E. Thrailkill
	L. J. Fisher	R. C. Owings	M. G. Wallace
	W. F. Garth	T. E. Peden	
CC: Messrs.	T. H. Bush		Minot K. Milliken
	H. C. Byrd		Roger Milliken
	Harry Defore		Russell Newton
	E. F. Flanigan		T. D. Truluck
	C. G. Johnson		
	K. M. Lowry		

From: Sterling L. Smith

Subj: Standard Cost Installation Program

Several Treasurers and Mill Managers have recently asked me to discuss with them the main points in the new standard cost system—its objectives and its principal operating features. Following this, it has seemed desirable to provide something in writing for reference and possibly for discussion with other members of the organization.

I will prepare something specifically covering our program. But for immediate use I am enclosing a copy of a paper which I prepared for a cost accounting group which covers the outlook and main features underlying our program. Some of you may already have seen this. Clearly, this is not merely a cost or an accounting system. Rather, it is a vital part of a full method of management. As such, it requires for its successful use a thorough understanding on the part of everyone concerned—cost and accounting personnel, Industrial Engineers, and—most of all—all line supervision from second hands or assistant overseers up. Experience will be the best teacher, but experience must be supported and illuminated by repeated and varied explanation. An important part of this department's service to you will be discussions with your personnel at the proper time in relation to your installation program, and in suitable groups. Also, we will be glad to provide additional copies of this paper if you wish to give it to any or all of these men.

The program will, in almost every instance, call for a broader outlook on the part of your cost and accounting personnel. At a number of mills there is at least one member of the National Association of Cost Accountants. I have belonged to NACA for many years and believe it well worthwhile. Its monthly Bulletin is particularly good, as it carries eight or ten articles on varied subjects by working cost accountants. Within reach of each of our mills, there is also an active chapter which holds nine regular monthly meetings, each with a worthwhile talk followed by a discussion period. There are also other constructive activities such as plant visitations and concentrated educational sessions. The nearby chapters are at Atlanta, Columbia, and Western Carolinas—which latter meets variously in Greenville, Spartanburg, Hendersonville and Ashville.

For a personal membership, the initiation fee is $10.00, the annual dues $20.00 and the cost of a dinner meeting from $2.75 to $3.50. With travel expense, this last would probably average about $10.00. If you and any of your accountants are interested, I would recommend that

the individual pay the $20.00 annual dues himself and that the company pay the initiation fee and any current expenses. This means that the man has to show an interest to the extent of $20.00 of his own money for the company to be put to any expense. And, beyond the initial $10.00, the company would incur expense only as the result of active participation by the individual. I have used this plan with good success elsewhere.

General Counsel Exhibit J-15

Deering Milliken Service Corporation
Box 1698
Greenville, South Carolina
September 4, 1956

To: Messrs. Fred Anthony
D. W. Barrett
B. E. Burns
R. F. Cecil
L. A. Clements
R. B. Dozier
Paul C. Franklin, Jr.
C. B. Gentry
J. Everett Hicks
T. N. Hunnicutt
B. C. Jarrard
H. W. Krackenberger
L. E. McAlpine
T. E. McAlpine
Francis N. Mabry
Nils O. Nielsen
J. W. Ouzts
A. C. Sorensen
H. A. Sturkey
W. Fred Swann
Harvey Welborn
W. Fred Williams

CC: Messrs. E. G. Allen
C. E. Anderson
George Asnip
J. M. Bailey
D. I. Beal
Phillips Byfield, Jr.
S. J. Craig, Jr.
E. O. DeFore
Lewis C. Ellis
J. A. Ferguson
L. J. Fisher
W. F. Garth
H. G. Hester
C. T. Holland
J. M. Jackson
T. C. Jolly
W. S. Manning
William H. Moore
J. A. Meehan
Alfred G. New
J. J. Horton, Jr.
J. M. Oeland
R. C. Owings
T. E. Peden
I. S. Pitts, Jr.
H. L. Pratt, Jr.
H. B. Risher
J V. Roberts
A. B. Sibley
W. A. L. Sibley

General Counsel Exhibit J-15

G. G. Simmons	H. G. Wallace
M. C. Stone	A. C. Wiesner
F. A. Thompson	W. E. Thrailkill

CC: Messrs.

R. H. Bush	J. A. McArthur
E. C. Byrd	Roger Milliken
R. L. Collett	Minot K. Milliken
Harry Defore	Clyde Murchison
E. F. Flanigan	Russell Newton
J. L. Hamrick	E. A. Rice
C. G. Johnson	T. D. Truluck
E. M. Lowry	

SLS:de

Deering Milliken Service Corporation
Box 1698
Greenville, South Carolina

To: All Office Managers

FROM: Starling L. Smith

SUBJ: Standard Cost Program—Instructions

Date: September 4, 1956

CC: As Listed

Smooth operation of the engineered cost system at each mill requires the use of some forms and written instructions. We are all aware of the advantages of a sensible degree of uniformity in forms and practices (between mills). It will clearly mean big savings in time and money for us to

provide recommended standard forms and practices from the very beginning of this program.

We recognize that it rests with the management of each group to decide on the adoption of any recommended standard practice but suggest that variations should be made only after careful consideration. This will be most important when it effects the results—the meat of the information to be provided, less so in purely procedural matters—which affect mainly the clerical cost. We will always try to provide forms and practices with enough flexibility or variation to cover the small mill and the large, the simple mill and the complex one. We will not always succeed on our first attempt. Further, many mills will need to write instructions covering special local situations. We hope these will prove to be merely clarification of the basic practice.

We propose to index our instructions as issued so that they will form a complete Cost Manual. We suggest that any mills now maintaining procedures books can incorporate this Cost Manual in their own books by reference. The Cost Manual will not repeat instructions applying to General Accounting, Industrial Engineering or other departments —but it will cover the linkage of Cost Accounting with these other functions where necessary.

We propose to issue one copy to each mill, addressed to the Office Manager, and one copy each to Mr. Flanigan, Mr. Lowry and to Mr. Collett. If any copies other than these scheduled are desired as a matter of routine, please instruct us. As a matter of routine, an additional copy will be provided at each mill for use by the mill Industrial Engineers, of those instructions covering the linkage of Industrial Engineering and Cost Accounting. We will always be

able to provide a controlled number of additional copies upon request.

Each set of instructions issued will be numbered so that we can recall superseded instructions when they are revised or cancelled. Only in this way can we be reasonably sure that everyone concerned has the up-to-date instructions for there will naturally be changes as better and cheaper methods continually develop.

These instructions will be issued on 8¼ x 11 sheets with standard three-hole punching. We recommend that these be kept in post binders, as frequent use quickly tears them out of ring binders. The easily expandable post binder supplied us for Deering, Milliken instructions years ago has proved very satisfactory. I see that this is a Wilson Jones No. 564-44. Probably Mr. Sanders in Purchasing can arrange an attractive bulk purchase for those who send in requisitions marked "Post Binder for Cost Department Standard Practice Instructions". I will advise him to be prepared for this.

I will put this into effect on September 15th exactly as above, subject to any changes suggested before that date.

SLS:de

SLS

General Counsel Exhibit J-16

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
January 19, 1955

CC: All Personnel Managers
Mr. G. G. Johnson
Mr. K. M. Lowry
Mr. Roger Milliken
Mr. H. C. Byrd
Mr. R. B. Newton

To: All Treasurers, Managers
and Superintendents.

From: Sterling L. Smith

Subject: Unemployment Insurance
—Second Half of 1954.

Enclosed is the summary report showing for the third and fourth quarters the "Probable Cost of Benefit Payments as a Percentage of Taxable Payroll". For the South Carolina mills in total, this has progressively dropped from the extremely high figure of the second quarter and is now back to the level of the first quarter. The total probable cost arising from separations made in 1954 is $345,000. This compares with the actual cost of $40,000 for 1953. The actual benefits charged through September 30, 1954 are $165,000. The benefits charged lag somewhat more than one quarter behind the date of separation, which means that we will not know the full actual figures until we receive the State report covering the first quarter of 1955, which will

be available in May. But the actual charges for the group as a whole are running pretty much in line with our estimates and we can hardly hope for a figure below $300,000, and more likely, the $345,000 estimated.

About 85% of this arises from lay-offs for lack of work. Most, but not all of these, have seemed unavoidable because of reduction in net personnel as indicated by the annual turnover report. There continue to be some lay-offs which appear avoidable by planning of work schedules and personnel transfers.

In reports for previous years, I had noted that only about 50% of lay-offs resulted in claims allowed and paid because the other half quickly found other work, or did not want to work, and thus had no allowable claims. At that time, it seemed likely that our costs would double if business became worse and job openings scarcer, even though our own personnel situation remained unchanged.

This anticipated situation actually developed in 1954. 90% of those laid off already have had their claims allowed and almost all of these have started drawing money. Thus, if we had continued in 1954 our 1953 low percentage of separations. the cost would have risen from $40,000 to $70,000. Such an increase is largely out of our control. But our cost has risen to almost five times this figure, approaching the high cost in 1949 which alarmed us and started us working on this problem.

There is a strong indication that not all of the 1954 high cost is due to the personnel reductions. It seems that there has been a serious loss of our effectiveness in dealing with this situation:

General Counsel Exhibit J-16

In 1953, 2.5% of discharges resulted in allowed claims. It is reasonable to expect that the "pay-out" would increase here in the 50% /90% ratio as with the lay-offs—or an increase to 4.5%. Actually, the figure was 10.2%—more than double the expected. For quits, the 1953 figure was .2%, which I adjust to .35% as directly comparable to 1953. The actual was 2.1%, or six times as high. In total, this meant that we had 98 allowed claims for discharges and quits vs. 30 on the basis comparable with 1953. This increase of 68 allowed claims will probably cost us $24,000. It also seems probable that some part of the lay-offs and their costs could have been avoided if we had been as effective in 1954 as we were in 1952 and 1953.

SLS:mcj

Enclosure.

1/19/55.

UNEMPLOYMENT COMPENSATION REPORT
Year to 12/31/54 - Part I

Mill	"Probable Cost" - % of Taxable Payroll								1954
	1953				1954				
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	
Cotton									
Darlington	.24%	.41%	.08%	.08%	.08%	.08%	.34%	.17%	
Gaffney	-	-	-	-	-	.05	-	-	
Hartsville	.18	-	.08%	-	-	.34	.52	.35	
Monarch									
Lockhart Power	-	-	-	-	-	-	-	-	
Lockhart	-	-	-	-	.06	-	-	-	
Monarch	.05	.25	-	-	.02	.32	.05	.06	
Ottaray	-	-	-	-	-	-	-	-	
Pacolet #3 & #5	-	.10	-	.10	.10	.11	.11	.04	
S. C. Cotton - Average	.05%	.11%	.01%	.04%	.03%	.13%	.12%	.06%	
Ga. - Gainesville	.06(.06)	.18(.18)	.12(.06)	.48(.12)	.24(-)	.12(.06)	.30(.18)	-(-)	
New Holland	.22(.11)	.28(.14)	.13(.04)	.20(.07)	.31(17)	.20(.14)	.14(.11)	.17(.13)	
Ga. - Lockwood				.06	5.64	.44	-	-	
Rayon & Woolen									
Clemson	-	-	.12%	-	-	.35	1.43	-	
Drayton	-	.14	.13	.08	.20	.02	.20	.80	
Gayley	-	-	-	-	8.60	8.39	1.32	.79	
Gorrish Milliken	.56	.22	.32	.72	.65	1.86	.14	.28	
Judson	.02	-	.05	-	.08	1.00	2.94	.90	
Laurens	-	.05	.01	.18	1.15	4.19	1.30	.48	
Abbeville(& Woven Plastics)	.32	.19	.11	.04	.21	.58	.34	.95	
Johnston	-	-	-	-	.19	9.39	12.79	1.03	
McCormick	.20	.07	.07	.07	2.36	.56	.49	.49	
Excelsior Finishing	1.62	1.40	.89	.26	.74	8.02	1.58	.14	
Excelsior Union	.39	.40	.37	1.16	.41	.74	1.86	1.45	
S. C. Rayon & Woolen - Average	.20%	.15%	.13%	.15%	.74%	2.27%	1.94%	.72%	
Ga. - Kingsley	-	.23(.23)	.11(.14)	-(-)	-(3.5)	-(1.4)	-(.21)	.91(.91)	
N.C.-Rutherfordton	1.50	-	.42	.93	-		1.96	.53	
Hatch (& U.P.C.)	.73	.17	-	9.18	3.53				
S.C. Total - %	.14%	.13%	.08%	.09%	.47%			.45%	
Cost					$47,000	$141,000	$112,000	$45,000	$345,000

Note - Georgia Mills - Figure in Brackets compares more correctly with S. C. Mills.
Red Figures indicate significant increase or more than double the average.

General Counsel Exhibit J-19

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
February 28, 1955

CC: Mr. Paul Wilson, Jr.
Mr. R. L. Collett

To: Mr. Roger Milliken
Mr. W. B. D. Stroud
Mr. M. W. Beacham
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. E. H. Hines
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

From: Sterling L. Smith

Subject: Unemployment Compensation Insurance.

Presumably you have received Henry Sloan's bulletin of February 26 on this subject. As a result of Henry Sloan's phone call to Judson about this, I have phoned John Cauthen and learned that we should receive from him this week copies of the proposed amendments and some comments.

John Cauthen quoted to me some estimates from the Commission bearing on the probable increase in cost to the textile industry which the changes would cause. A superficial analysis leads me to believe that the Commission's

figures (about 65%) are in error and that Henry Sloan's figure (about 50%) will prove more correct. This is just a somewhat informed guess intended only to point out that the situation may call for some detailed analyses of our past experience.

As soon as I have received John Cauthen's bulletin and have had a chance to digest it, I will write further with specific suggestions. At this time you might alert your personnel departments to have in good shape the files on each terminated employee who drew benefits. They will particularly want to have the records of past earnings by quarter as the new law provides that the duration of benefits may vary from 10 weeks to 22 weeks, depending upon the qualifying earnings. I do not have the formula yet.

I understand that there are some amendments which we would definitely favor, notably setting up the reserve requirements along the lines our group advocated two years ago.

SLS:mcj

General Counsel Exhibit 20

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
April 22, 1955

To: All Personnel Managers

From: Sterling L. Smith

Subject: *Unemployment Compensation Insurance Report.*

The forms enclosed for the unemployment reports covering the March 31 quarter, and also for the June 30 quarter are to be submitted as usual. I have already received a number of the Part I for March 31.

In the future please send us only one copy. We no longer need two copies.

S. L. S.

SLS:mcj
Enclosure.

General Counsel Exhibit J-21

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, S. C.
May 31, 1955

CC: Personnel Managers
Mr. C. G. Johnson
Mr. Roger Milliken

To: Treasurers & Managers

From: Sterling L. Smith

Subject: *Unemployment Compensation Insurance.*

The Part I reports for the 1st quarter indicate that there has been some serious increase in Lay-offs after allowing for personnel reduction and in Allowed Claims beyond this. This seems serious enough to warrant comment before sending out the next report (which, as you know, I am now instructed to submit each six months).
Mills which are particular cases in point are:

	Lay-offs	Claims Allowed Due To
Darlington	1	
Hartsville	3	
Lockhart	—	2 Layoffs
Monarch	1	
Pacolet 3 & 5	2	
Pacolet 6	1	
Lockwood	6	
Gayley	9	1 Discharge—Other
		1 Quits—Various
Gerrish Milliken		5 Discharge—Other
Judson		1 Discharge—Other
Kingsley	2	

General Counsel Exhibit J-21

	Lay-offs	Claims Allowed Due To
Abbeville	10	
McCormick		12 Discharge—Other
Excelsior Finishing	24	
Excelsior Union	22	
Hatch	6	
Totals	87	22

Where Lay-offs are noted above, the net or temporary reduction reported was less than half the reported total of discharges, quits and transfers during the quarter. Past reports have shown this to be the critical point, below which lay-offs are avoidable in a high percentage of cases.

S. L. S.

SLS:mcj

General Counsel Exhibit J-22

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
August 22, 1955

CC: Personnel Managers
Mr. Roger Milliken
Mr. C. G. Johnson
Mr. K. M. Lowry

To: Treasurers, Managers &
Superintendents

From: Sterling L. Smith

Subject: Unemployment Compensation Insurance
6 Months to June 30, 1955.

The attached report relates to 1954 as well as to the latest 6 months.

Actual benefits charged to S. C. mill accounts in 1954 totaled $228,652. This is only about two-thirds of the "probable cost" I had estimated in January. Of course, a significant part of the benefits chargeable because of 1954 separations will be paid in 1955 (and even 1956).

In the first quarter of 1955, these added costs amounted to about $23,000. The reports for the second quarter will presumably show a further addition, after which 1954 can be considered closed for practical purposes. (Where these actual figures have been received, they are shown.) 1955 is starting out much higher than any year between 1950 and 1953. I have noted the main reasons for any high figures.

General Counsel Exhibit J-22

Layoffs—Means separations for lack of work, more than seem occasioned by the reduction in work force.

"Other" Discharges—From these unclassified discharges, our experience has been that only about 1 in 20 will become an allowed claim. Worse experience bears looking into.

SLS:mcj
Attach.

Unemployment Compensation Report

	Cost % of Taxable Payroll				
	Year 1954		1955—1st 6 Mos.		
	Estimated Probable	Actual	Estimated Probable	Actual	Causes
Cotton					
Darlington	.17	.12	.09%	.06%	
Gaffney	.01	—	—		
Hartsville	.30	.11	.13%		Layoffs
Lockhart Power	—	—	—	.00	
Lockhart Plant	.01	.01	.06%	.03	
Monarch	.10	.11	—	.00	
Ottaray	—	—	—	.00	
Pacolet 3 & 5	.08	.10	.06	.05	
S. C. Cotton Average	.10%	.07%	.05%		
Ga.—Gainsville	.17(.06)	.21	.42(.40)		
New Holland	.20(.13)	.11	.21(.17)		
Rayon & Woolen					
Exc. Clemson	.43	.40	.00		
Drayton	.54	.64	.50	.42	Layoffs
Gayley	5.16	3.53	.26		
Gerrish Milliken	.72	.43	.48		"Other" Discharg
Judson	1.18	.89	.17	.36	
Laurens	1.80	1.23	1.07	.45	1954 & Reduction
Abbeville (& W.P.)	.52	.09	.31	.46	
Johnston	7.10	5.53	.14	.57	
McCormick	1.00	.36	.59	.24	"Other" Discharg
Exc. Finishing	2.48	1.85	.48%		
Exc. Clemson	1.03	.53	1.56%		
S. C. Rayon & Woolen Average	1.37%	1.03%	.52%		
Ga.—Kingsley	2.06(2.06)	2.20			
N. C.—Rutherfordton	.62				
Hatch	1.28				
S. C. Total	.85%	.65	.33%		
Cost	$345,000 Est.	$228,652			

Note: Actual is underlined if higher than estimated.

General Counsel Exhibit J-23

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
March 11, 1955

CC: Mr. J. J. Norton, Jr., Gaffney
Mr. J. M. Oeland, Darlington
Mr. W. A. L. Sibley, Monarch
Mr. M. C. Stone, Pacolet
Mr. H. D. Mullins, Pacolet Recheck

To: Mr. A. J. Dillard, Jr.
Mr. W. Frank Dohme

From: Sterling L. Smith

Subject: Competitive Recheck.

There has been considerable difficulty and substantial loss in disposing of competitive goods similar to our own constructions, but at the same time quite a bit different in width, weight, sley and picks, and pattern (as a herringbone).

In the future, will you please restrict all purchases of competitive goods to the constructions we are currently making, unless a specific departure is requested by the treasurer concerned?

General Counsel Exhibit J-24

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, S. C.
July 11, 1955

To: Mr. J. J. Norton, Jr., Gaffney
Mr. J. M. Oeland, Darlington
Mr. W. A. L. Sibley, Monarch
Mr. M. C. Stone, Pacolet

From: Sterling L. Smith

Subject: Competitive Recheck.

Attached is the schedule proposed by the Sales Department for competition goods to be rechecked in the next twelve months.

Recheck capacity for this type of competition goods is approximately 112 lots per year. You will note that this schedule specifies 82 lots, leaving 30 lots to be assigned at later dates as special interest may develop. Each competitive recheck lot consists of two bales.

* * *

General Counsel Exhibit J-24

July 11, 1955.

PRINT CLOTH - PROPOSED COMPETITIVE LOTS FOR RECHECK
Year 1955/56

	Cannon (Alice)	I. J. (Borien)	Wood.Bald.(Abney)	Cone (Am. Spin.)	Greenwood (Durst)	Spartan (Spartan)	Turner H.(Morgan)	Reeves (Mills)	Bailey (Mayfair)	Leslie (Poe)	Clinton	I. J. (Woodside)	Hesslein	Cat.Far.(Henrietta)	Leslie (Washington)	Joanna Western	Cannon (Inman)	Avondale (Spofford)	Bailey (Glenwood)	TOTAL SAMPLES
39" 4.00 80x80	4	4	2	2	12	2	2	2	2	2										34
39" 4.75 68x72			2								2	2	2	2					2	12
38½" 5.35 64x60			2									2		2	2	2				10
45" 4.75 64x56									2		2	2								6
45" 5.35 60x48												2				2				4
37" 4.00 100x58		2	2														2	2		8
40" 3.33 109x58		2	(2)														2			6
37½" 3.90 99x44			2																	(2)
TOTAL SPECIFIED	4	8	12	2	12	2	2	2	4	2	4	8	2	4	2	4	4	2	2	82
AVAILABLE OPTIONAL																				30

Each Sample Equals 2 Bales.

Figures Indicate Samples to be Purchased.

Arcade

General Counsel Exhibit J-25

July 14, 1955

Mr. Sterling L. Smith
Box 1698
Greenville, South Carolina

Subject: Competitive Rechck

Dear Sterling:

In going over the proposed schedule of competitors' goods, as far as Darlington is concerned. I would like to suggest two changes.

Instead of buying Woodward-Baldwin (Abney) 40" 3.33 109x58 I would suggest that we buy Arcade. As I travel around more reference is made to Inman, Borden, and Arcade as to quality than to Abney.

I would like to suggest that we discontinue competitors' goods on 37½" 3.90 99x44 poplins. We have cut down on the number of looms we are running on this style at the moment and I do not see any particular reason for checking competitors' goods, especially Abney's. I will be glad to be guided by Mr. A. L. May's wishes in this matter, and you will note I am sending him a copy of this letter.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. A. L. May

General Counsel Exhibit J-26

Deering Milliken Service Corporation
Cost Department
P. O. Box 1698
Greenville, South Carolina
June 28, 1955

CC: Mr. Harry DeFore
Mr. A. J. Dillard, Jr.
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. R. B. Newton

To: Mr. Roger Milliken

From: Sterling L. Smith

Subject: Quality Control—
Yours of March 15 (80x80).

Since my May 31 report. we have made considerable progress.

(1) We have received back the finished goods on our second 80x80 test. Recheck department has gone over them, but I have yet to see the goods and the results.

(2) The goods are selected for a similar test in Gaffney broadcloth, but we are having difficulty getting an early finishing date.

(3) We have made further experiments to see if finished streakiness can be predicted from the greige. Our results continue good. We plan to set up a session with mill superintendents in July to consider this.

General Counsel Exhibit J-26

Eliot Miller has reported that Cranston (Rhode Island) felt this was definitely practical. He and I visited there about ten days ago. This was one of the tests and they very readily correlated the greige samples we had with the finished samples from the same freight goods.

(4) One of the interesting points which came out at Cranston is that sizing formula can have a considerable bearing on the finishing results. They went so far as to say that a significant part of the adverse appearance of the Monarch goods in the test Cranston ran might have been due to Monarch's sizing being different from that in the other goods, and from that for which Cranston's desize process was best. Because of other characteristics of the cloth, none of us believe this to be the real reason, but it is not an impossibility.

They went on to say that in some tests there was definitely finishing difficulty which they attributed to some after affect of the size, even though the size had been entirely removed according to their chemical analysis. They feel definitely that we should not leave the effect of size and finishing result to chance; but should explore this far enough to know what works well and what causes trouble.

As far as I know, we may be completely informed on this subject at the moment. I merely report this suggestion for what it is worth.

(5) At Cranston we saw a variety of cloth samples, including some 80x80 of various dates from our own mills.

This, in conjunction with I.T.T. results mentioned below, indicates almost conclusively that the Monarch

goods used in the (Cranston) test were made during the very short period of low quality. Cranston's greige samples of Monarch goods received a couple of months earlier were much superior to the goods used in the test. There was no thought that this was anything but a chance happening. Looking back at the Monarch recheck records before, during, and after this period, certain characteristics showed a definite deterioration and have since improved. It is unfortunate that this test included almost certainly the worst level of goods Monarch has made in over a year, at least.

(6) At I.T.T., I ran a number of samples on the Colorimeter to try to classify the cloth as to color, hoping for a classification which would correlate with brightness and cleanness of color in the finished goods. The tests showed a very good correlation. This is by no means conclusive proof as all we can really say is that there is a coincidence which is reasonable in this limited number of cases.

The next thing for us to do is to try to get a somewhat different calibration for the machine to give closer reading within the range we are using, and then to arrange for more extensive tests.

The most interesting test result was in Monarch's 80x80. Samples from April and August 1954 showed almost identical color with Alice and Durst goods which finished so well. But Monarch goods from February and March of this year showed a substantially inferior color. Monarch clearly knew the specific changes in blend that they were making over this period, but they presumably would not have made these same changes

had they known the adverse effect on the appearance of their goods when finished. This indicates that this test may be a very useful "back stop" to other more specific tests.

(7) As to controlled finished goods tests for routine use. Mr. Newton has effectively discouraged my thought that something on a laboratory basis might be practical. We now believe that the best thing would be occasional test lots of 1,000 yards commercially finished. This would include 20 or 25 single cuts random selected from different looms so that we would have a real cross section. We can do this with a maximum net cost of the finishing and freight, possibly less. Mr. Bill Sibley and I have discussed this and feel that we should wait until all of our tests in the greige indicate our goods are up at a high quality level. Then, such a test would probably be a very good selling tool beyond its recheck benefits.

(8) At I.T.T., I had one test run on Tewksbury's Optical Analyzer. This showed excellent correlation between grey and finished yarn CV. But the test seems too slow for Recheck use. I consider this a device for use in research and development of new processes.

(9) At I.T.T., I also checked the Beckman color analyzer. This is probably a device for finishing plants in developing exact color matches in new formulas and the like. I can see no use for it on grey goods.

General Counsel Exhibit K-1

Mr. J. M. Oeland	March 1, 1956
J. Z. Robinette	Mr. W. A. Goodwin
Darlington Manufacturing Co.	Mr. W. S. Hawkins

The following items were discussed at the meeting at Darlington February 29, 1956:

1. Conveyer Proposed from Engineered Producers:

   Mr. Park will make the changes outlined in my letter to Mr. Bruce White dated February 20, 1956. The first doors that cover the conveyor opening will be furnished and installed by Mr. Park after the details have been worked out and approved by F.I.A. Mr. Park will quote on these doors as an extra.

   Mr. Goodwin has ask Mr. Park to relocate the conveyor and after this has been done, we will discuss same with American Moistening Company concerning interference with the air stream from the fan units.

2. Addition between Main Mill and Annex:

   We will design the structure and secure prices on the steel. This will be for all floors. You will handle the remainder of the construction.

3. Fire Pump:

   We will secure prices for the automatic fire pump starter and booster pump and starter and you will install this equipment.

It will be decided in the next two or three months how the other sprinkler work is to be handled. This will be either on a cost plus basis or by your own shop.

General Counsel Exhibit K-1

4. Boilers:

The following alarms will be installed on the boilers by Mr. Jack Hancock:

a. ? ? ? ? ? clutch trip

b. Low water

c. Low steam pressure

This alarm will be a bell in the shop that will sound a warning when either of these items fail to operate properly.

I will ask Mr. Comstan if he can give you an idea how much a coal conveyor would cost to replace your existing conveyor. You can then let him know if you would like to do anything further on this.

5. Trash in Atomizer Water:

I have discussed this with Mr. Blanton of the American Moistening Company. He will let us have his recommendations as soon as the test they are now running is complete. If necessary at that time, we can discuss the addition of a water filter.

6. Air Compressor:

You found that the air compressor at Dumis Mill was a low pressure unit, therefore we will do nothing further on this.

7. Water Pump at Stream:

You have worked out this problem. The reservoirs will be left as they are at present.

General Counsel Exhibit K-2

January 25, 1955

Mr. R. H. Bush
Engineering Department
Spartanburg, S. C.

Dear Russell:

Yesterday Mr. Milliken gave his approval for our putting in the sprinkler system for the first two floors of our plant. As you are working on this project we decided we would get several bids before making our ??????? the job.

Mr. Milliken wanted us to have our water tested to see if there was anything that would cause the pipes to rust more than usual or collect sediment that would stop up the pipes. We would like to have your advice on what to do about this matter, and we will go forward at once to make whatever tests you think are necessary to find out whether our water is more corrosive than other types of water.

Very truly yours,

J. M. Oeland,
Treasurer

jmo-m
cc: Mr. Hal C. Byrd
Mr. F. P. Mullendore
Mr. W. S. Hawkins

General Counsel Exhibit L-1

DEERING MILLIKEN RESEARCH TRUST

PROJECT ASSIGNMENT

Date December 8, 1954

Project No. 952

Assigned To: Mr. R. J. Tohor

Title: Incoming Parts Inspection—Darlington

Statement:

In accordance with the general program now accelerating in the Deering, Milliken mills, to inspect all purchased parts for quality of materials, accuracy of machining, and general acceptability, this project is being opened to cover the work at Darlington. The first survey will be made of weave room parts, since this appears to be a major source of parts expenditures.

General Counsel Exhibit L-3

DEERING MILLIKEN RESEARCH CORPORATION

DATE: January 24, 1956

To: Mr. George Asnip
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Meehan
Mr. Roger Milliken
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

cc: Mr. D. R. Arrowood
Mr. C. E. Anderson
Mr. J. M. Bailey
Mr. D. I. Beal
Mr. Harold Brissey
Mr. Phillips Byfield
Mr. F. E. Byrd
Mr. S. J. Craig, Jr.
Mr. Harry Defore
Mr. L. C. Ellis
Mr. W. E. Faulkenberry
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. W. A. Goodwin
Mr. F. J. Haddon
Mr. E. J. Hamner
Mr. W. A. Hunt
Mr. J. M. Jackson
Mr. T. C. Jolly
Mr. R. H. Jones
Mr. R. A. Littlejohn
Mr. W. D. McBee
Mr. R. W. McCullough
Mr. W. S. Manning
Mr. A. G. New
Mr. W. A. Newton
Mr. T. E. Peden
Mr. H. L. Pratt, Jr.
Mr. George Rankin
Mr. H. B. Risher
Mr. F. E. Rowe
Mr. G. G. Simmons
Mr. A. W. Stoudemire
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. A. C. Weisner
Mr. Martin Wallace
Mr. B. V. White.

FROM: R. B. Newton

SUBJECT: Proper Installation, Inspection and Protection of New Machinery

The best insurance of the efficient use of new machinery is a good preventive maintenance system on old machinery. If the old has been neglected, it usually follows that the new equipment will also be neglected—sometimes even more, because better results might be expected without proper attention.

The critical maintenance period for new machinery is in the first few months of operation. Machinery inspectors should be assigned to make frequent checks on all new machinery, beginning with the erection stage. Perhaps a weekly inspection would be a good guide at first.

Particular attention should be addressed to: (1) gears, studs, bearings, etc., running excessively hot or showing any wear. (2) adequate lubrica-

General Counsel Exhibit L-3

tion by hand and, where automatic oiling sometimes is specified, checks should be made to be sure that each oiling point is actually getting the proper amount of oil, and (3) spindles should be systematically oiled and the lubricant should be checked for breaking down or discoloring excessively.

* * *

After equipment has been in place and checked for satisfactory operation, the inspection cycle time should be lengthened to normal.

The close inspection as outlined above is the responsibility of the mill management and the local machinery inspectors. Where special problems are encountered, there will be a need for DMRC special service which can be called at the discretion of management.

* * *

Serious consideration also should be given wherever possible to standardization of machinery and parts in one mill. The tangible and intangible values which come from this policy are great—lower supply inventory, less time for training maintenance men and fixers, simplification of operator duties, more time for supervisors to address their efforts to productive work, etc.

RBN

RBN/j

General Counsel Exhibit L-4

DEERING MILLIKEN RESEARCH CORPORATION

DATE: February 25, 1955

TO: Abbeville, R. C. Edwards
Cowan, A. Weisner
Darlington, J. M. Oeland
Drayton, G. G. Simmons
Ex.-Clemson, E. O. DeFore
Ex.-Rutherfordton, R. H. Jones
Ex.-Union, M. W. Beacham
Farnsworth, J. A. Meehan
Gaffney, J. J. Norton
Gayley, W. S. Manning
Ger. Mil., L. J. Fisher
Hartsville, I. S. Pitts
Hatch, Jack Craig
Johnston, T. E. Peden
Judson, J. M. Bailey
Kingsley, W. E. Thrailkill
Laurens, George Asnip
Lockwood, Randolph Brandt
McCormick, Fred Thompson
Monarch, L. C. Ellis
Lockhart, J. A. Ferguson
Pacolet 3 & 5, C. T. Holland
Pacolet 4, George Baker
Pacolet 6, Winston Garth
Ottaray, H. L. Pratt

FROM: DMRC—R. W. McCullough

SUBJECT: Maintenance Memo #9—Portable Work Bench for Maintenance Men

At the recent meeting where we discussed the maintenance man concept, we emphasized our belief that it is a very necessary first step to supply a portable work bench equipped with some power and hand tools.

The attached drawing illustrates generally a suitable work bench. The Purchasing Department (Mr. R. F. Sanders) has located one supplier who will make up this bench to this drawing for about $210.00. McCormick has located a builder who claims to be able to supply it for about $110.00 (less casters), but we have not seen a sample of his work.

The memo copy attached is a specification for the minimum tools which we feel the mill ought to supply with the bench. The maintenance man should be held accountable personally for the care of the tools. Monarch has so equipped one bench and it has worked out very well. We have refereniced Sears, Roebuck catalog number only to illustrate the size

General Counsel Exhibit L-4

and quality of tool specified and do not hold any brief for their products in particular. If purchases can be pooled through Mr. Byrd's office it is likely that a substantial discount can be obtained on most items.

R. W. McCULLOUGH

Attachments
RWMcC/bk

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud
Mr. E. H. Hines
Mr. Roger Milliken
Mr. H. C. Byrd

General Counsel Exhibit L-5

June 2, 1955

Mr. R. B. Newton

R. W. McCullough

Status Report of Maintenance Bench and Shop Inspection Phases of Annual Machinery Inspection Program

Maintenance Trucks

Abbeville—4 trucks in use—1 overhauler, 1 card room, 1 spinning room, 1 winding and twisting. Progress is good.

Darlington—1 truck in use in card room only. Progress is fair and would be improved if a 2nd maintenance man and truck were put in spinning room immediately.

Drayton—Progress is good—3 boxes in use, 2 in carding and 1 in spinning. Interest level is high.

Gaffney—No action here—we have not urged this mill since we have felt that some of the other mills needed our services more.

Hartsville—1 truck in use in spinning room only. Progress is fair and would be improved if a 2nd maintenance man and truck were put in card room.

Judson—1 box purchased several weeks ago, but not yet equipped or in use. The cotton unit will not need more than one maintenance man.

Laurens—2 boxes in use—progress is good both in carding and spinning.

General Counsel Exhibit L-5

Lockhart—2 boxes purchased—1 is completely equipped. Neither are in use for maintenance purposes (were being used by machinery movers and overhaulers?). Progress is below average because of delay in selection of maintenance men and assignment to regular cycles.

Lockwood—No action here—no emphasis on our part.

McCormick—3 boxes complete and in operation (1 spinning, roving and twisting, 1 in pin drafters, 1 in top mill). Progress is good.

Monarch—2 new type, 1 old type box in use. Progress has been good to fair. Weaknesses are poor records, pulling maintenance men off their cycles to do other work and delay in getting spinning maintenance men started.

Ottaray—No action here—small size of mill makes combination man (opening through spinning) necessary. We have not "urged" this mill.

Pacolet 3 & 5—1 box in use, 1 more on order for Pacolet #5. Progress has been below average of all mills due to delay in ordering equipment, selection and assignment of maintenance men to their cycles. Probably 4 benches will be needed to equip these two mills.

Pacolet 4 (New Holland)—5 benches equipped and in operation (2 in spinning, 3 in card room). Progress and attitude very good.

Pacolet 6 (Gainesville)—2 benches have been ordered, but none in use yet. Progress has been below average due to delay in getting started.

General Counsel Exhibit L-5

The following are major points to the proper use of maintenance men:

1. Do not interfere with cycle by temporarily pulling maintenance man off his job for other rush work.
2. Do not make any sizeable reduction in regular complement of section men or fixers until maintenance men have cycled the machinery at least twice, and it appears likely that the next cycle time will be about 8 weeks.
3. Insist on maintenance men keeping simple, but accurate records by machine number, as to what they repaired or replaced on each machine cycle.
4. Set up controls whereby parts removed from machinery are inspected by supervisory personnel to determine if parts should be scrapped or reworked in shop.
5. Watch records of maintenance carefully to detect "repeats"—certain parts or adjustments which are giving trouble constantly (these often need an engineering remedy).
6. Periodically have machinery inspector check several frames behind the maintenance men to check on quality and thoroughness of his work.
7. Have periodic check (monthly) of maintenance bench and audit of tools to hold good level of housekeeping by maintenance man, and to check on adequacy of tools being used.

Machine Shop Inspection

We have made some progress in helping the mills upgrade their shops, but are planning to put more emphasis on this

in the near future. This is very important since our maintenance program depends on shops being well equipped and well run. (One of the major hold ups to the increased use of replaceable Oilite type bearings is that the shops are not equipped or trained to do the necessary precision boring of the machine parts to accommodate the bearings).

An adequate inspection of each shop should be made, and a written report to each mill management submitted to cover the following:

1. Conditions of existing major equipment and recommendation for bringing it up to standard good operating condition.
2. Inspection of small tools, fixtures and accessories (reamers, cutters, taps, discs, mandrels, drills, grinders, vises, etc.) to determine their condition and recommendation as to what is needed to bring their condition up to standard and what additional small tools are needed.
3. Recommendation as to any major items of equipment that should be purchased or reworked. (Here we have had good success in getting the mills to buy and use metallizing equipment).
4. Inspection of jigs and fixtures (used to rework production machine parts by shop) to determine their proper design and use.
5. Inspection of general housekeeping in shop, to include storage of small tools, raw stock, acetylene and oxygen tanks, metallizing wire, cutting torches, welding rod, etc. This should include lighting in the shop area.

General Counsel Exhibit L-5

To put the machine shop inspections on a numerical basis it would be possible to give each of the above five major classifications a merit value of 20 points each. Thus a shop which was up to standard in all five would get a 100% rating. Where specific items or steps were recommended to correct a certain lack of tools or other deficiences the rating would be something less than 20 for that particular classification.

This first survey could be completed in about two months if an average of three mill shops were covered per week. A follow-up cycle could be then made and this would take about three weeks.

RWMcC/bk

General Counsel Exhibit L-6

DEERING MILLIKEN RESEARCH CORPORATION

DATE: October 12, 1955

TO: To All Mills

FROM: DMRC

SUBJECT: Machinery Maintenance Goals—October 1955 to March 1956

The following are the Machinery Maintenances goal recommendations made at the October 11 meeting at Drayton Mill. These recommendations are general to all mills—cotton, filament, worsted and woolen.

The Machinery Maintenance group of your Research Corporation will continue to emphasize and assist in setting up better maintenance practices at a higher priority than inspection demeriting activities for the next three to six months. Very likely our mill group inspections will be confined chiefly to warp preparation, looms, opening and picking equipment and possibly spinning.

SIX MONTHS GOAL FOR MILLS

1. Have *maintenance men on a routine 8 to 10 week cycle of all preparation equipment* up to weaving and include cloth room machinery.

A. Where DMRC has not worked out details of forms, etc., for warpers, cloth frames, quillers, etc., use same principle as has been demonstrated on other machinery to accomplish this job. Devise own forms and proceed.

B. (Do not let maintenance men be pulled off for machinery moving, rush short-term jobs, etc.)

General Counsel Exhibit L-6

2. Make a serious attempt to *use maintenance man concept in weave room.* (Two mills have already begun this work.) Use standard inspection forms for maintenance or simplify the forms, leaving out "left" and "right," etc.

3. *Extend demeriting inspection techniques to machinery not now covered* by DMRC, using principles already established. Mills to apply principles already established, devise own forms and, if desired, demeriting values. Several mills have taken initiative in this respect, for example:

McCormick — Pindrafters and twisters
Monarch — Cloth frames
Drayton — Downtwisters, ring twisters and quillers

4. *Stock room inventories*—Set up maximum and minimum inventory levels for preparation equipment parts with automatic reorder provision. Many stock rooms already set up for weave room parts in this way.

5. Have training supervisor set up *training classes* for preparation machinery fixers. Have maintenance man or technical superintendent instruct in *gear setting* particularly.

(Maintenance man's work is being nullified by poor fixer's practices, especially in gear setting.)

General Motors films on "Care and Use of Hand Tools" is very good.

Can be obtained from: Plomb Tool Company
P. O. Box 3519 Terminal Annex
Los Angeles, California

R. W. McCullough

General Counsel Exhibit L-7

DEERING MILLIKEN RESEARCH CORPORATION

DATE: April 7, 1956

TO:
Abbeville—R. C. Edwards
Darlington—J. M. Oeland
Drayton—G. G. Simmons
Gaffney—J. J. Norton
Hartsville—I. S. Pitts
Judson—A. G. New
Laurens—M. G. Wallace
Lockhart—J. A. Ferguson
McCormick—F. Thompson
Monarch—L. C. Ellis
Ottaray—H. L. Pratt
Pacolet 3 & 5—C. T. Holland
Pacolet 4—J. M. Jackson
Pacolet 6—W. F. Garth

FROM: DMRC—R. W. McCullough

SUBJECT:

Within the next week to ten days our Machinery Maintenance Section will visit each of the mills to evaluate again their status and progress in the use of maintenance men.

On this round we will rate the maintenance man program on a point basis which will be explained in detail during the visit.
Basically, the rating will be given on a few major points:

1. Is maintenance bench equipment in proper condition and use.
2. Are demeriting inspections being made by the mill (by second hand, mill inspectors or some other responsible person).
3. Are maintenance men in regular and constant use.
4. To what extent is the machinery under the attention of a maintenance man and how many rounds have been completed in each department so covered.

The machine records (maintenance and inspection) filled out by the mill over the past several months will be used as a primary basis for these ratings.

Our men will be on a relatively "tight" schedule to get up-to-date information for the April 23 treasurers' meeting, and we will appre-

ciate your assistance in helping them to get an accurate finding with as little delay as possible.

After you have had an opportunity to go over this system of rating the maintenance program, we will welcome your suggestions as to how it can be improved in the future.

R. W. McCULLOUGH

RWMcC/bk

cc: Mr. Roger Milliken
Mr. W. A. L. Sibley
Mr. A. B. Sibley
Mr. George Asnip
Mr. J. A. Meehan
Mr. R. B. Newton

General Counsel Exhibit L-7

SCHEDULE

Laurens) Judson)	Monday	April 9
Pacolet #4) Pacolet #6)	Tuesday	April 10
McCormick) Abbeville)	Wednesday	April 11
Darlington) Hartsville)	Thursday	April 12
Monarch) Lockhart) Ottaray)	Friday	April 13
Gaffney) Drayton)	Monday	April 16
Pacolet #3 & 5)	Wednesday	April 18

General Counsel Exhibit L-8

DEERING MILLIKEN RESEARCH CORPORATION

DATE: April 21, 1956

TO: All Mills

FROM: R. B. Newton

SUBJECT: Specialized Training of Maintenance Men—Inter-mill Visits

At the last treasurers' meeting at Drayton the Research Corporation recommended that the training and efficiency of the assigned maintenance men in all the mills could be improved by having inter-mill visits with selected maintenance men who are doing the better jobs in certain of the mills.

The Research Corporation has *selected* the maintenance men at *Drayton on opening, picking and carding;* at *Laurens on drawing and roving* and at *Abbeville on spinning* as being good examples of well-trained, highly interested, adequately equipped and properly supervised maintenance men.

It is *recommended* that the *maintenance men from all mills visit these selected mills according to the schedule attached* to this memo. You will note that the visits are scheduled for two days each and that only two mills will be visiting a host mill at any one time. This arrangement has been cleared and approved by the host mills Drayton, Laurens and Abbeville, and is now being sent to each mill as an invitation to participate in this program. *If you are not able to follow the schedule suggested, please contact Mr. Raymond Owings at Drayton, Mr. Roy Rochester at Abbeville*

and *Mr. Les Pugh at Laurens* so that they will be able to plan their respective parts in this training program with you.

It is intended that in the two day session the maintenance men at the host mill will review, by discussion and actual demonstration on machines, his techniques and procedures for adequate maintenance. The overseer at the host mill will also talk with the group outlining the objectives in that particular mill and reviewing their progress and management follow-up on the activities of the maintenance men.

While some mills have not actually assigned men in all preparation departments, we have included them in the schedule in the hope that they will either have these men assigned or send the mostly likely candidate to the training session.

It will be important that the maintenance men who are attending these sessions appreciate the full purpose of the training. They shouldl be told the reason for being sent and should be asked to bring back to their home mills several recommendations as to how their work could be improved. They should also be prepared to offer to the other participating members in the two day sessions the benefit of their experience in overcoming specific maintenance problems on their job.

Members of the DMRC machinery group will be on hand at the beginning of each of the sessions at the three host mills to assist in the program, and will work with each of the mills in organizing schedules for the two day sessions. The following is an outline by mills showing the present assignments of the maintenance men and the number of the men in each mill. Where the assignment is shown in

parentheses it indicates that it is a DMRC proposed assignment.

ABBEVILLE

1 Man — Opening, Picking, Carding, Drawing, Roving
1 Man — Spinning

DARLINGTON

1 Man — Opening, Picking, Carding, Drawing, Roving
1 Man — Spinning

DRAYTON

1 Man — Opening, Picking, Carding
1 Man — Drawing, Roving
2 Men — Spinning

GAFFNEY

1 Man — Opening, Picking, Carding
1 Man — Drawing, Roving
2 Men — Spinning

HARTSVILLE

1 Man — Opening, Picking, Carding, Drawing, Roving
1 Man — Spinning

JUDSON

1 Man — Opening, Picking, Carding, Drawing, Roving. Spinning

LAURENS

1 Man — Opening, Picking, Carding
1 Man — Drawing, Roving
1 Man — Spinning

General Counsel Exhibit L-8

LOCKHART

1 Man — Opening, Picking, Carding
1 Man — Drawing, Roving
2 Men — Spinning

MONARCH

1 Man — Opening, Picking
1 Man — Cards
1 Man — Drawing, Roving
2 Men — Spinning

MCCORMICK

1 Man — Roving, Spinning

OTTARAY

(1 Man — Opening, Picking, Carding, Drawing, Roving, Spinning)

PACOLET 3 & 5

1 Man — Opening, Picking
1 Man — Cards
1 Man — Drawing, Roving
2 Men — Spinning

PACOLET 4

1 Man — Opening, Picking
1 Man — Cards
1 Man — Drawing, Roving
2 Men — Spinning

PACOLET 6

(1 Man — Opening, Picking, Roving)
(1 Man — Carding, Drawing)
2 Men — Spinning

RBN/bk

General Counsel Exhibit L-8

MAINTENANCE MEN - SCHEDULE OF VISITS

	1st Week		2nd Week		3rd Week		4th Week	
	Mon.-Tues. Apr.30-May 1	Thurs.-Fri. May 3-4	Mon.-Tues. May 7-8	Thurs.-Fri. May 10-11	Mon.-Tues. May 14-15	Thurs.-Fri. May 17-18	Mon.-Tues. May 21-22	Thurs.-Fri. May 24-25
Monaco								
Opening Pickers Cards	Laurens Gaffney	Ottaray Judson	Darlington Hartsville	Lockhart Abbeville				
Opening Pickers (only)					Monaco Pacolet 3&5 (Monday only)	Pacolet #4 Pacolet #6 (Thursday only)		
Cards Only							Monaco Pacolet 3&5	Pacolet #4 Pacolet #6
Laurens								
Drawing & Roving		Drayton Abbeville	Monaco Pacolet 3&5	Pacolet #4 Pacolet #6	Judson McCormick Ottaray	Lockhart Gaffney	Darlington Hartsville	
Abbeville								
Spinning			Laurens Monaco	Pacolet #4 Pacolet #6	Darlington Hartsville	Gaffney Pacolet 3&5	Drayton Lockhart	Judson McCormick Ottaray

General Counsel Exhibit L-9

DEERING MILLIKEN RESEARCH CORPORATION

Date: April 25, 1956

To: Abbeville, R. C. Edwards
Darlington, J. M. Oeland
Drayton, G. G. Simmons
Gaffney, J. J. Norton
Hartsville, I. S. Pitts
Judson, J. M. Bailey
Laurens, M. G. Wallace
Lockhart, J. A. Ferguson
McCormick, F. A. Thompson
Monarch, L. C. Ellis
Ottaray, H. L. Pratt
Pacolet #3 & #5, C. T. Holland
Pacolet #4, J. M. Jackson
Pacolet #6, W. F. Garth

From: R. W. McCullough

Subject: Maintenance Man Training Program

There has been a point raised which needs clarification regarding the maintenance man, training sessions. The visiting maintenance men should arrive at the "host" mill prepared not only to observe the complete range of practices, methods and record keeping techniques in use at the "host" mills, but also to participate in actual machinery maintenance. The maintenance men should bring their work clothes with them and as many small tools as it is convenient for them to bring. We do not suggest that they bring their tool boxes, but such "much used" tools as box end and open end wrenches, pliers, screw drivers, etc.

I have been in touch with Raymond Owings at Drayton, Les Pugh at Laurens, and Albert Stoudenmire at Abbeville, and we have agreed on a general outline of the procedure for handling these men at the time of their visit to the "host" mill.

On the first day of each session, a short discussion period will be held in which the "host" mill will outline to the visiting men the background and current status of the maintenance man program at that mill. This will be done by the

General Counsel Exhibit L-9

technical superintendent or some other equally responsible and informed person. Emphasis will be placed on the value that management feels it is getting from this program and the concept of the program on a company wide basis will be made to stress the importance of the maintenance man's job to the visitors. The opening conference will cover the cycle time, the number of rounds that have been completed, the increase in machine performance which can be attributed to improved maintenance, the record keeping system, any evidence that is available as to reduction in parts costs, etc., etc.

The visiting maintenance men will also be asked to give a short description of the program at his home mill.

It is hoped that there will be a free exchange of ideas and information between the maintenance men and that this exchange will result in advantages to all of those participating in the program. Before each pair of visiting maintenance men leave the mill, there will be a review session held in which the visitors will be asked to discuss their visit, to bring out the helpful things which they have learned and to suggest any improvements which might be transferred from their mill to the "host" mill.

From the discussions which I have had with the three "host" mills and several of the other participating mills, I am sure that this program will be extremely helpful to all those concerned and that it is going to get full support from everyone.

R. W. McCULLOUGH

RWMcC/bk

cc: Mr. Roger Milliken
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. R. B. Newton

General Counsel Exhibit L-10

DEERING MILLIKEN RESEARCH CORPORATION

DATE: March 6, 1956

TO: All Mills

FROM: R. W. McCullough

SUBJECT: PM System Installation—Mill Progress Rating Given at Drayton Meeting February 6, 1956

Within a few minutes after I completed my short talk at the Drayton meeting on February 6, it was made quite evident that a clarification of the reasons for the mill ratings was necessary.

The chart which was made up for that meeting is presented below:

Rate of Progress Dec. 1954—Dec. 1956	Carding	Spinning
I	Drayton	Abbeville
	Laurens	Drayton
		Laurens
I	Abbeville	Gainesville
	Judson	Judson
	McCormick	Lockhart
	Monarch	McCormick
	New Holland	Monarch
	Hartsville	New Holland
		Hartsville
III	Darlington	Darlington
	Gaffney	Gaffney
	Gainesville	Ottaray
	Lockhart	Pacolet 3
	Ottaray	Pacolet 5
	Pacolet 3	
	Pacolet 5	

General Counsel Exhibit L-10

This chart does not reflect the condition of the machinery in the carding and spinning departments of the mills indicated.

It is not directly related to demerits per machine or machinery condition.

It is designed to show in chart form, the consenus of the opinion of the Research Corporation machinery maintenance group as to the relative progress that the mills have made in achieving standardized, controlled machinery maintenance systems.

We have outlined on numerous occasions our recommendations for an efficient preventive maintenance system in carding and spinning. They include (1) periodic scheduled, demeriting inspections either by mill inspector or second hand, (2) constant review by management of the demeriting inspection results, (3) maintenance of machinery demerits at or below acceptable goal levels, (4) the scheduled, uninterrupted cycling use of well trained, properly equipped and supervised maintenance men on all production machinery, (5) constant second hand and overseer follow-up on activities of maintenance men, (6) maintenance man cycling steadily at eight to ten weeks frequency, keeping accurate records of machinery conditions, adjustment, repairs and parts replacements.

Standard mill to mill systems in costing, accounting, waste control, time study, production control, etc., have been accepted as efficient ways to operate modern businesses. The concept of standard maintenance practices is relatively newer, especially in the textile industry, but the arguments for it are as sound as those for standardizing any other management control techniques.

General Counsel Exhibit L-10

Now getting back to the chart, there is no importance to be attached to the relative ranking within each group—(the mills are arranged alphabetically within the groups I, II, and III). Some mills with a group II rating are, in our opinion, very close to group I. Likewise, some of the group III are very close to a group II rating. Again, keep in mind that this rating does not refer to the condition of the machinery, but to the progress which the mills have made toward installing a standard SPM (Scheduled Preventive Maintenance) system.

The following is a list of our comments by mills indicating some of the more important steps which DMFC would like to see taken toward the end that we would approach a standard preventive maintenance system in cotton type carding and spinning from mill to mill.

* * *

DRAYTON

Card Room

Generally very satisfactory.

Spinning Room

Generally very satisfactory.

GAFFNEY

Card & Spinning Room

No maintenance men assigned, no maintenance boxes in use, no cycles completed. Four maintenance boxes have been purchased and plans are under way to install system soon.

General Counsel Exhibit L-10

HARTSVILLE

Card Room

1. Maintenance box and tools not assigned to maintenance man alone—overhaulers, fixers, etc.
2. Cycle time and cycle frequency too low and/or varies.
3. Inadequate records kept.
4. Supervisory follow-up and interest needs strengthening.
5. Machinery not covered by any mill demeriting inspection.

Spinning Room

1. Maintenance box and tools not assigned to maintenance man alone—overhaulers, fixers, etc.
2. Cycle time and cycle frequency too low and/or varies.
3. Machinery not covered by any mill demeriting inspection.

* * *

General Counsel Exhibit L-12

DEERING MILLIKEN RESEARCH CORPORATION

DATE: June 4, 1956

TO: Abbeville, R. C. Edwards
Darlington, J. M. Oeland
Drayton, G. G. Simmons
Gaffney, J. J. Norton
Hartsville, I. S. Pitts
Judson, J. M. Bailey
Laurens, M. G. Wallace
Lockhart, J. A. Ferguson
McCormick, F. A. Thompson
Monarch, L. C. Ellis
Ottaray, H. L. Pratt
Pacolet 3 & 5, C. T. Holland
Pacelot 4, J. M. Jackson
Pacolet 6, W. F. Garth

FROM: R. W. McCullough

SUBJECT: Revised Spinning Maintenance Inspection Forms

Attached to this memo please find one pad each of Spinning Maintenance Inspection forms Nos. 11 and 12 (revised 5/15/56). These replace forms Nos. 11, 12, and 12A which were previously used (12/1/54). Please pass these new forms on to those persons in your mill who are doing your machinery inspection work.

* * *

Provision has been made to include pneumafil tubes on this inspection form.

Before revising this form we surveyed several of the mills and obtained their recommendations as to changes they would like to see in the outline of the forms. We were able to incorporate most of the recommendations made by the mills.

Additional pads of these forms can be obtained from the Research Corporation. Please discontinue the use of the older forms and substitute these instead.

General Counsel Exhibit L-12

We are planning to revise the drawing, roving, picking and opening forms along these lines also. We will welcome any suggestions the mills have as to: inspection points which should be added or deleted, demerit ratings which should be decreased or increased, rearrangement of the format, etc. Perhaps the best way to present your ideas would be to use the present forms and red pencil on them the changes you would like to see.

R. W. McCullough

RWMcC/bk

cc: Mr. Roger Milliken
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. George Asnip
Mr. J. A. Meehan
Mr. R. B. Newton

General Counsel Exhibit L-13

DEERING MILLIKEN RESEARCH CORPORATION

DATE: June 7, 1956

TO: Mr. R. B. Newton

FROM: R. W. McCullough

SUBJECT: Third Round of Spinning Frame Maintenance Inspections

The following is a proposed schedule for the third round of spinning frame inspections:

* * *

It has been over eighteen months since we made our last round of spinning frame maintenance inspections. In that period most of the mills placed into operation the use of maintenance men and all of the mills upgraded the level of mechanical excellence of their spinning equipment. We are quite confident that this round of inspections will show that most, if not all, of the spinning frames in the Deering, Milliken organization are being maintained at very satisfactory levels of maintenance.

RWMcC/bk

cc: Abbeville
Darlington
Drayton
Excelsior #1
Excelsior #3
Gaffney
Hartsville
Hatch
Laurens
Lockhart
McCormick
Monarch
Ottaray
Pacolet #3 & 5
Pacolet #4
Pacolet #6
Mr. Roger Milliken
Mr. A. B. Sibley
Mr. M. C. Stone
Mr. K. M. Lowry
Mr. Harry Defore

General Counsel Exhibit L-14

File 822

DEERING MILLIKEN RESEARCH CORPORATION

DATE: August 15, 1956

TO: All Mills

FROM: DMRC—R. W. McCullough

SUBJECT: Results of Third Demeriting Inspection on Spinning Frames

The following table gives the results of our recently completed third round of demeriting inspections:

Mill Name	Second Inspection Demerits/Spindle	Third Inspection Demerits/Spindle	
Judson	—	.54 (1)	
Ottaray	2.5	.76 (1)	
Drayton	3.0	.77 (2)	
Lockhart	5.0	.96 (3)	
Abbeville	4.0	1.18	
Monarch	3.2	1.32 (4)	
Pacolet #5	3.7	1.36	
Pacolet #6	3.0	1.40	Goal 1.5
Laurens	4.4	1.87	
Darlington	2.3	1.97	
Pacolet #3	8.2	2.15	
Gaffney	2.4	2.20 (5)	
Pacolet #4	3.0	2.58 (6)	
Hartsville	4.0	2.64	
Excelsior #1	43.8	2.80	
Excelsior #3	9.7	3.10	
McCormick	7.5	3.40	
Hatch	32.5	3.70	

(1) Judson and Ottaray have all new Whitin frames.
(2) Drayton has no new spinning equipment.
(3) Lockhart has 80 new Rieter frames with .63 demerits/spindle.
(4) Monarch has 120 new Rieter frames with 1.05 demerits/spindle.
(5) Gaffney has 30 new Whitin frames with .44 demerits/spindle.
(6) Pacolet #4 has 36 new Whitin frames with 1.36 demerits/spindle.

General Counsel Exhibit L-14

For comparison purposes we included the results of the second inspection made 12 to 16 months ago. It is apparent from these results that all mills are continuing to make improvements in their demerit ratings. Eight of the mills are below the goal of 1.5 demerits per spindle and the other 10 are all close to it.

In some mills we noticed a tendency to "ease up" on the policy of not taking maintenance men off their jobs. We suggest that the managers and superintendents review this with the card room and spinning room overseers to insure that the maintenance man are on their assigned jobs continuously and that their cycle time is either at an 8 to 10 week period or rapidly approaching that condition.

Robert W. McCullough

RWMcC/bk

cc: Mr. George Asnip
Mr. J. Meehan
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. R. B. Newton
Mr. Roger Milliken
Service Departments

General Counsel Exhibit L-15

DEERING MILLIKEN RESEARCH CORPORATION

DATE: June 14, 1956

TO: Mr. R. B. Newton

FROM: R. W. McCullough

SUBJECT: Third Maintenance Inspection of Looms

The following is our schedule for the third complete round of mechanical maintenance inspection on looms in the Deering, Milliken mills:

* * *

General Counsel Exhibit L-16

File 822

DEERING MILLIKEN RESEARCH CORPORATION

DATE: August 21, 1956
TO: All Mills
FROM: DMRC—R. W. McCullough
SUBJECT: Loom Demeriting Inspection Results

The following tables show the results of the 1956 round of demeriting inspections on looms in the Deering, Milliken mills. The data are grouped by loom types. For reference and comparison the results of the first two inspections (1954 and 1955) are also given.

C & K "W" Type Looms	1st Inspection 1954	2d Inspection 1955	3rd Inspection 1956
Johnston (W-3)	222	85	30
Excelsior #2 (W-3)	64	27	31
Hatch (W-3)	252	67	44
Excelsior #1 (W-3)	525	108	53 Goal 70
Abbeville	245	106	82
Excelsior #3 (W-3)	470	174	147
Kingstree (W-2)	—	—	274
Kingstree (W-3 AC)	—	—	157
C & K "C" Type Looms			
Abbeville (C-5)	*243	28	3
Judson (C-6)	18	44	18
Judson (C-2)	66	27	19
Abbeville (C-4)	*243	66	23
Drayton (C-5 & C-6)	90	57	47 Goal 50

*During the first inspection at Abbeville the C-4 and C-5 looms were grouped together. Therefore, the average demerits per loom of 243 is shown for both these types of looms.

C & K "S" Type Looms			
Judson (S-6)	38	11	19
Judson (S-5)	62	27	20 Goal 50
Gerrish Milliken	159	72	68

General Counsel Exhibit L-16

Draper "X" Type Looms (without dobby)

	1st Inspection 1954	2d Inspection 1955	3rd Inspection 1956
Pacolet #3	24	36	6
Pacolet #4	58	22	18
Gaffney	68	11	22
Monarch	90	79	23
Pacolet #5	66	37	26
Ottaray	70	103	27
Pacolet #6	81	177	29
Darlington	144	58	37
Hartsville	96	73	38
Lockhart	—	—	43 Goal 50

The above comparison is for all "X" type looms without dobby motions. Where X-2 looms and X-model looms were inspected at a mill, the demerits shown are a weighted average for all the "X" type looms.

Draper X-D and X-K (with dobby)

Judson (X-D 50")	39	26	7
Judson (X-D 54")	19	41	17
Laurens (X-D 50")	71	31	17
Ottaray (X-D)	23	50	23
Drayton (X-D)	*84	*39	*33
Gerrish Milliken (X-D & X-K)	*89	*60	*35
Kingsley (X-K)	80	22	40 Goal 40
Kingsley (X-D)	144	31	43

*Weighted Average

Draper E-Model Looms

Gaffney	131	40	18
Monarch	116	121	22
Pacolet #3	186	91	22
Darlington	157	92	22
Pacolet #6	554	83	28
Pacolet #5	191	117	35
Pacolet #4	228	94	40
Lockhart	361	161	46 Goal 60

RWMcC/bk

CC: Mr. George Asnip
Mr. J. Meehan
Mr. A. B. Sibley
Mr. W. A. L. Sibley

R. W. McCULLOUGH

General Counsel Exhibit L-17

DEERING MILLIKEN RESEARCH CORPORATION

DATE October 5, 1956
TO: All Mills
FROM: DMRC—R. W. McCullough

The following table shows the results of the recently completed 6th warp preparation inspection. For background the results of the last three are also included. The attached table gives a breakdown of the demerit sources:

Cotton Goal-10/Loom	3rd Check Aug. '55	4th Check Oct. '55	5th Check Feb.-Mar. '56	6th Check Sept.-Oct. '56	
Hartsville	13.3—5	8.7—2	8.3—1	7.4—1	
Lockhart	10.9—3	9.8—4	11.1—6	7.6—2	Goal
Monarch	11.9—4	13.1—7	16.8—10	10.8—3	
Pacolet #6	10.4—2	9.2—3	10.5—3	12.6—4	
Ottaray	6.8—1	4.6—1	10.4—4	12.9—5	
[illegible]let #5	17.7—7	10.8—6	14.6—7	14.4—6	
[illegible]n	16.8—6	18.6—10	19.3—12	14.5—7	
[illegible]s	19.7—9	19.6—11	17.7—11	15.1—8	
Darlington	27.4—12	19.8—12	15.9—9	18.3—9	
Gaffney	20.2—10	13.9—8	9.4—3	20.6—10	
Judson	49.0—13	16.2—9	9.2—2	23.2—11	
Pacolet #3	18.4—8	10.1—5	14.8—8	24.2—12	
Pacolet #4	25.6—11	24.6—13	31.1—13	34.3—13	
Filament Goal-5/Loom					
Kingsley	3.5—2	3.5—2	3.1—4	3.9—1	
Judson	6.0—5	4.1—3	1.8—1	4.7—2	Goal
Laurens	5.5—4	6.3—4	2.9—3	6.3—3	
Gerrish Milliken	11.9—6	17.1—6	8.8—5	9.6—4	
Excelsior #2	0—1	14.0—5	9.5—6	16.5—5	
Drayton	3.8—3	3.4—1	2.0—2	—	
Woolen-Worsted Spun Synthetic Goal-10/Loom					
Excelsior #1	11.5—3	6.2—1	2.5—1	1.0—1	Goal
Kingstree	—	—	—	13.4—2	
Excelsior #2	6.2—1	9.4—3	10.3—3	13.5—3	
Johnston	18.2—4	29.2—5	18.5—4	17.9—4	
Excelsior #3	11.0—2	8.6—2	9.9—2	19.1—5	
Hatch	28.4—5	47.4—6	36.8—6	22.0—6	
Abbeville	36.8—6	19.5—4	25.2—5	25.2—7	

General Counsel Exhibit L-17

October 3, 1956

General Observations

A review of the results of this 6th round in comparison to those of the 5th round (which was made approximately seven months ago) shows distinct adverse trends in the cotton mills and in the filament mills with the woolen-worsted group barely holding its own.

In the cotton mill group six of the mills improved their ratings, seven of the mills lost ground, two of these seven lost a considerable amount of ground. The organizational wide average for all DM cotton mills at the fifth check was 14.5. For the sixth check it was 16.6 demerits per loom.

In the filament mill group all the mills showed an increase in demerits per loom, the over-all average increasing from 4.7 to 6.8 demerits per loom.

In the woolen-worsted group, Excelsior, Union, stands out "head and shoulders" above all of the rest of the mills in excellence of warp preparation. Three of the mills improved their ratings and three showed a backward trend. Kingstree Mill, which was checked for the first time in this round, moved in at second place in the group of seven mills.

We would like to recommend again that this type of audit be made by the mills at regular intervals—preferably weekly. It will take less than two hours of one supervisor's time per week to make a random check on fifty looms and this will give sufficiently adequate information to detect trends if the check is made regularly.

R. W. McCULLOUGH

RWMcC/bk

cc: Mr. Roger Milliken
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. George Asnip
Mr. Harry Defore
Mr. K. M. Lowry
Mr. Sterling Smith

General Counsel Exhibit L-20

April 30, 1956

Dr. N. C. Armitage
Deering Milliken Research Corporation
Box 27
Pendleton, S. C.

Dear Mr. Armitage:

Some time ago you may remember that we shipped for trial installation the slubbing device to one of the Burlington mills. It is my understanding that they did not wish to purchase and you requested the return of this device to Research to be checked over.

We have a letter from Mr. A. G. New at Judson stating that they would be interested in purchasing this device, and I would appreciate your contacting them and handling the deal for us. I think we decided upon a price when we were discussing it before. We will be glad to be guided by your judgment in the matter since it is one of our own mills and we do not anticipate using the device again.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

cc: Mr. A. G. New
Mr. J. M. Bailey

General Counsel Exhibit L-22

File 822

DEERING MILLIKEN RESEARCH CORPORATION

DATE: January 16, 1956

TO: Abbeville, R. C. Edwards
Darlington, J. M. Oeland
Drayton, G. G. Simmons
Gaffney, J. J. Norton
Hartsville, I. S. Pitts
Judson, J. M. Bailey
Laurens, A. T. Wilbanks
McCormick, Fred Thompson
Monarch, L. C. Ellis
Lockhart, J. A. Ferguson
Pacolet 3 & 5, C. T. Holland
Pacolet 4, J. M. Jackson
Pacolet 6, Winston Garth
Ottaray, H. L. Pratt

FROM: R. W. McCullough

SUBJECT: Roving Frame Bobbin Gear Setting Gauges

Some time ago we developed a gauge to facilitate the proper setting of bobbin gears on roving frames. Up until that time it had been usual to find bobbin gears set much too wide and this improper setting was causing rapid wear of these gears.

The use of the setting gauge virtually eliminated the uncertainty as to how much play was actually left in the gear pair, and we set up a tolerance of a maximum play of ¼" as indicated on the gauge.

It has come to our attention that some mills are misusing the gauge and jamming the bobbin gear into the bobbin drive gear so that no play at all is allowed and actual metal to metal interference occurs. This type of poor maintenance is more serious and costly than the previous practice of allowing the gears too wide a setting.

It is recommended that the roving frame fixers and overhaulers use the bobbin gear gauge in their work, and that the tolerance be established as: "between 3/16" and 5/16" motion of the pointer on the bobbin gear gauge." Please

bring this to the attention of your maintenance men, roving frame fixers, and machinery inspectors.

R. W. McCULLOUGH/j

RWMcC/j

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. George Asnip
Mr. Sterling Smith
Mr. Roger Milliken
Mr. Harry Defore
Mr. H. C. Byrd
Mr. K. M. Lowry
Mr. Russell Bush

General Counsel Exhibit L-24

DEERING MILLIKEN RESEARCH CORPORATION

DATE: July 22, 1955

TO: All Superintendents and Managers

FROM: R. W. McCullough

SUBJECT:

Mr. William Rhymer, who has been working with many of the mills on maintenance and special applications of electrical and electronic instruments, has submitted his resignition from the Research Corporation effective July 30. He plans to go into business for himself in Union, South Carolina.

We have received favorable comments on Mr. Rhymer's work from several of the mills whom he helped and we are sorry to lose his service.

We will attempt to find a replacement and would like to have recommendations from anyone who knows of a suitable candidate for the job.

R. W. McCULLOUGH

RWMcC/bk

cc: Mr. George Asnip
Mr. A. B. Sibley
Mr. M. C. Stone
Mr. Sterling Smith
Mr. Russell Bush
Mr. Roger Milliken
Mr. Harry Dafore
Mr. H. C. Byrd
Mr. K. M. Lowry

General Counsel Exhibit M-1

DEERING MILLIKEN SERVICE CORPORATION

PLACEMENT DEPARTMENT

Date: September 20, 1955 Copies:

To: Mr. J. M. Oeland

From: C. G. Johnson

Subject: Analysis of Supervisory Force—Darlington Manufacturing Company

The following analysis covers all supervisors up to the level of plant superintendent. The ratings of job performance and potential were made by you. Any rating is based largely upon personal opinion and is subject to later revision as we may either underestimate or overestimate a person's performance and potential. Ratings are also relative and depend upon the standards established by the individual making the rating. A performance rated "satisfactory" by one person might be considered "very good" or even "unsatisfactory" by another.

The following recommendations are made:

1. Darlington should hire two trainees per year for the next two years. These should be men interested in manufacturing. One should be trained for spinning, one for carding and two for weaving. There are no designated replacements at the second hand level in carding or weaving.

2. We should be more selective in the men to whom we make offers.

3. Darlington should attempt to make promotions from the college trainee group in the line organization as vacancies occur, selecting men who are judged to

have the capacity to advance more than one step. Presently, there is only one college graduate in the line organization supervisory group.

4. We should work towards the point where 50% of the second hands and 75% of the overseers have promotional possibilities. Although only five of the present supervisors are judged to have reached their limit, only three are considered to have the potential to advance more than one step. The remaining nineteen could advance one step or take a larger job. There should be several men with good potential who are being developed.

5. It must be recognized that an adequate training program will cost money and that to function properly it may be curtailed, but must not be stopped, regardless of conditions.

6. Educational work must be done to attain wider acceptance of the college trainee program among all supervisors.

7. Those men employed as trainees should be advanced as rapidly as possible without upsetting the organization.

General Counsel Exhibit M-2

November 11, 1955

Mr. C. C. Johnson
Placement Department
Greenville, S. C.

Dear Charlie:

This week we were discussing with Harry DeFore the possible advantages we can receive from using a tension analyzer we recently bought. The question came up as to whether we could afford to put a full time person on this analyzer. In the discussion Harry suggested the possibility of our securing a cooperative student specializing in textiles. Harry said these students would be out of college for three months at a time earning enough to complete their college course.

We are wondering if it is possible to secure such a student, and how we would go about it. It is not absolutely necessary that we get a textile student, but I do feel it would be well for us to get either a mechanical engineering or electrical engineering student. It may be possible that we would have to pay more than our regular college trainee rate. We would be willing to do this for a period of time in order that we could get some idea of what the program would develop into.

We would appreciate your suggestions and advice on this problem.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

cc: Mr. Hawkins
Mr. Goodwin

General Counsel Exhibit M-3

File

DEERING MILLIKEN SERVICE CORPORATION

PLACEMENT DEPARTMENT

Date: November 14, 1955 Copies:

To: Mr. J. M. Oeland

From: C. G. Johnson

Subject:

Your letter of November 11, regarding a co-op student, poses somewhat of a problem. The only school that I know of in this area that is operating on the quarter system is Georgia Tech. The others which might provide the kind of training you are looking for are on a semester basis. Mr. J. G. Wohlford is director of cooperative courses at Tech. You might write him, explaining your problem and request that he advise if he has a co-op student who would be interested in an opening such as yours. In the past, he has told me that they hear of many more job opportunities than they have students available for them. Either Pacolet #4 or Pacolet #6 has one or more men who are co-oping at Tech. It might be possible that you could borrow their man for a definite period of time. The opening, as you described it, sounds as though it would be an excellent training opportnity. There is also the possibility that you and another mill could share a man on a full time basis. What does Mr. Pitts at Hartsville to about this same situation? Would it be possible to use someone from D.M.I.E.D. or from the Cotton Department on a special assignment basis? I cannot tell you just how these two departments are fixed at the present time. The only other thing that I can think of would be to get a man attending Coker College who wants part time work. It would be very questionable that

he would have the kind of background you wish. A similar student at the University of South Carolina would be fine, but is seems to me that Columbia is too far from Darlington to commute.

CHARLIE

CGJ/cm

General Counsel Exhibit M-4

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, South Carolina

Date: March 23, 1955

To: Mr. J. M. Oeland, Darlington

From: C. G. Johnson

Subject: Supervisory & Trainee List.

At Mr. Milliken's request, we are preparing a list of certain supervisory and trainee personnel at all the mills. Enclosed is a pencil list we have prepared from data available in the Placement office. Will you please check this, making any corrections or additions necessary, and return it to the Placement Department as soon as possible. When the list is typed in final form, we will send one copy to the General Manager or Treasurer, and one to the Plant Manager or Superintendent.

The list should include the following up through the level of Assistant Plant Superintendent in line, staff, and office functions:

(1) Supervisors originally employed as college trainees and trainees presently working employed through December 31, 1954, unless they have reached a supervisory rank above Assistant Plant Superintendent. Do not include those in military service.

(2) Non college supervisors at the level of overseer or higher who may advance within your unit, or are capable of assuming greater responsibilities in another D. M. unit.

General Counsel Exhibit M-4

(3) Non college supervisors at the level of second hand who are considered to have the potential to advance more than one level of supervision, e.g. Second Hand to General Overseer, Department Superintendent, or Assistant Plant Superintendent.

General.

(1) The column "Salary" is to be left blank. This will be filled in later if the information is desired.

(2) Where the information in our files was questionable or not available, the spaces have been underlined in red. Please see that these are corrected or filled in.

(3) Please check job titles to see that these are correct.

(4) The information is to be as of March 31, 1955. Ages are computed to the previous birthday as of this date.

Charlie

CGJ:mcj
Enclosure.

sent in 3/30/55

General Counsel Exhibit M-5

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

November 28, 1955

To: Mr. C. E. Anderson
Mr. J. M. Bailey
Mr. G. D. Baker
Mr. Phillips Byfield
Mr. S. J. Craig, Jr.
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. W. F. Garth
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt, Jr.
Mr. H. B. Risher
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

CC: Mr. George Asnip
Mr. K. M. Lowry
Mr. J. A. Meehan
Mr. Russell Newton
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. T. D. Truluck

FROM: Charles G. Johnson

SUBJECT: Trainee Agreement

General Counsel Exhibit M-5

At a meeting of the Training Committee on November 15, 1955, it was agreed that we would employ college trainees on a salary basis if we could find a plan that would conform with governmental regulations. It was also agreed what we would offer salaries of $350.00 per month minimum to men with semi-technical and technical degrees (this includes textiles) and $325.00 per month minimum to men with liberal arts degrees.

The plan shown on the attached sheet has been checked and approved by Mr. R. L. Collett and Mr. Henry Sloan. If you approve and use this, it will not be necessary for the trainee to sign an individual agreement, but it should be a policy which each trainee thoroughly understands. The trainee should keep an accurate record of his hours of work and also of his days of leave if he takes them. This leave feature has to be included in case you want to let the man off on certain occasions for purely personal reasons. The number of days can be greater or less than four per year.

CGJ

CGJ/cm
Attach.

General Counsel Exhibit M-5

TRAINEE AGREEMENT

(Note: This is for $325.00 per month on $3,900.00 per year. These figures are not to be shown in agreement or policy.)

You shall be paid a salary of $75.00 per week for a scheduled work week up to 48 hours. This salary is arrived at on the basis of 40 hours per week at $1.4423 and eight hours at $2.1635. You will be compensated for hours worked in excess of 48 at an hourly rate of $2.1635 per hour.

Should you be absent from work for short periods because of personal illness, sickness or death in your family, holidays, vacation, temporary plant or department shutdown, jury duty, or temporary military duty, your salary shall continue as usual.

You may take up to four (4) days leave per year at your convenience. Should you be absent from work during a week for purely personal reasons in excess of four days per year, your salary for such week shall be reduced by an amount equal to the number of hours absent at $2.1635 per hour up to eight (8) hours of absence and at $1.4423 per hour for those hours of absence in excess of eight (8).

(Note: For a salary of $350.00 per month or $4,200.00 per year, the weekly salary should be $80.75 and the hourly rates $1.5529 and $2.3294. If you go above the minimum salary figures, the weekly salary and hourly rates should be calculated.)

General Counsel Exhibit M-5

Two copies of this agreement are enclosed. Will you please indicate below if you plan to use a salary basis for employing trainees and return one copy to the Placement Office so we may advise the men interviewed at various schools?

We (will) (will not) employ trainees at minimum salaries of $325.00 and $350.00 per month as outlined above.

Please explain if you will use some other method.

MILL .....

SIGNED .....

DATE .....

General Counsel Exhibit M-6

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

December 22, 1955

To: Mr. E. O. DeFore
Mr. Winston Garth
Mr. W. S. Manning
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. G. G. Simmons
Mr. M. C. Stone
Mr. F. A. Thompson

FROM: C. G. Johnson

SUBJECT: Trainee Agreement

On November 28, 1955 we sent a memorandum to all mills, showing a suggested trainee salary agreement and requested that you advise us on one copy of the agreement if your mill was willing to go along with the amounts and the salary basis.

We shall appreciate your returning this at your earliest convenience so we may compile the information. School visits start January 9, 1956 and we wish to tell those students interviewed what salary offers they may expect.

The majority of the mills that have replied indicated that they will use the salary basis. Most of the others have approved the amounts but wish to remain on an hourly basis.

CGJ/cm CGJ

General Counsel Exhibit M-8

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

December 22, 1955

CC: Mr. K. M. Lowry
Mr. Russell Newton

To: Mr. E. O. DeFore
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

FROM: C. G. Johnson

SUBJECT: Summer Employment of College Professors

The school I. E. and I. M. heads who were our guests October 9-12, 1955 said that frequently members of their staff, and professors in other departments were available for summer employment.

On a limited number of occasions, some of our mills have employed professors for special assignments. This appears to be an excellent public relations idea, giving the professors an opportunity to augment their income, see the opportunities that exist for graduates in our organization, and at the same time, work on projects that we can't get to or solve with our regular force.

General Counsel Exhibit M-8

During 1956, would you be interested in having a professor in one or more of your mills? If so, what background would you like him to have—Textile—Industrial Engineering—Statistics—Mechanical Engineering—Electrical Engineering—etc.? To what project or projects would you like to assign him? How much would you be willing to pay him?

We shall appreciate your comments on this.

CGJ/cm

CGJ

General Counsel Exhibit M-9

December 27, 1955

Mr. C. G. Johnson
Placement Department
Greenville, S. C.

Re: Summer Employment of College Professors

Dear Charlie:

It is our understanding that Ken Lowry is trying to arrange for us to use some of the students at I. T. T. for summer employment. If we are fortunate enough to get some of these students we do not think we could use the college professors in addition to the students. You might work with Mr. Lowry on this and see where we are getting on the I. T. T. students.

Very truly yours,

J. M. Oeland
Treasurer

jmo/m

General Counsel Exhibit M-10

Deering Milliken Service Corporation
Placement Department

July 18, 1956

To: Mr. J. M. Bailey
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

CC: Mr. George Asnip
Mr. E. O. Defore
Mr. K. M. Lowry
Mr. Roger Milliken

FROM: C. G. Johnson

SUBJECT: Data re Trainees Employed and Separated 1950-1955 Inclusive.

Following the meeting July 17, 1956 one of the Treasurers requested that we distribute the information that was presented at the meeting re trainees.

CHART I Shows trainees separated at three months intervals following employment up to five years. This chart gives the number, percent and investment loss for each three months interval and the accumulative figure.

CHART II Shows by mills the number of trainees employed, separated, the percent separated and investment loss. The mills are in the order of percent separated.

CHART III Shows the reasons the 293 men gave upon leaving our organization by number and percent.

General Counsel Exhibit M-10

CHART IV Shows by schools from which we secured the greatest number of trainees, the number employed, the number separated and the percent separated. This chart also shows the percentage of men we have retained by type of degree. Retention of men with textile degrees has been 35.2% greater than that of men with technical and liberal arts degrees.

Recommendations:

In a survey of 144 companies Mr. Frank Endicott of Northwestern University reported that companies losing 50% or more of their trainees within a 5 year period gave the following major reasons for the losses.

a) Offered higher salary elsewhere.

b) Wanted to live elsewhere. Wife unhappy. Wanted to live nearer home.

c) Sought faster progress—Desired more responsibility.

d) Disliked travel, hours, or pressure of job.

e) Did not like the work. No longer interested in our type of industry.

f) Not suited to our type of work—Poorly fitted for job.

The companies which had retained over 60% of the men hired five years ago gave the following major reasons:

a) Accurate, honest presentation of type of business, job, advancement, and opportunity. Don't oversell.

b) Training program which is well planned, interesting, thorough, informal, and active.

c) Very careful selection — Improved interviewing skills.

d) Review salary and progress regularly—Recognize accomplishment—Advance on merit.

e) Increase responsibility as quickly as possible—Move them around.

f) Sincere, friendly supervision—Treat them like men —As part of a team.

Mr. Endicott also reported that the companies retaining the greater percentage of their men paid higher starting salaries.

To help us get better men and retain a higher percentage of them, the following recommendations are made:

1. Make starting salaries competitive.
2. Be more selective—Emphasize quality, not quantity.
3. Increase use of tests as they are proven.
4. Employ prospective trainees for summer work wherever possible.
5. Use co-ops to greater extent.
6. Formalize training along lines of report issued by Mr. W. M. Thornton May 21, 1956.
7. Do not keep capable men on routine assignments too long.
8. Be more realistic in explaining "Hard Work" to prospective trainees.
9. Let each man know where he stands and what he can expect on a regular schedule. Recognize good

work—Point out poor work and how to improve. Explain why. A sincere interest in the man and sufficient attention so that he will know he is not forgotten will make the trainee feel that he is a part of the organization.

10. Cross transfer mill to mill and group to group.
11. Do not release trainee for inadequate performance before checking other mills through Placement.
12. Talk with man who is going in MS and keep in touch with him while there.
13. Sell supervisors on the advantages of trainees. The trainee is not to be given rough treatment because the supervsior thinks the man is there to take his job.

Should you wish additional copies of these data, please advise the Placement Department.

CGJ:lw

CGJ

General Counsel Exhibit M-10

CHART I

Trainees Separated and Investment Loss 1950-1955

Time Employed Months	Total Separated This Period	Total Separated Accum.	% of Total Separated This Period	% of Total Separated Accum.	Investment Loss This Period	Investment Loss Accumulative
0-3	34	34	11.60	11.6	45,900	45,900
3-6	45	79	15.36	27.0	122,625	168,525
6-9	28	107	9.56	36.5	97,300	265,825
9-12	22	129	7.51	44.0	92,950	358,775
12-15	24	153	8.19	52.2	101,400	460,175
15-18	28	181	9.56	61.8	118,300	578,475
18-21	22	203	7.51	69.3	92,950	671,425
21-24	13	216	4.44	73.7	54,925	726,350
24-27	19	235	6.48	80.2	80,275	806,625
27-30	8	243	2.73	82.9	33,800	840,425
30-33	12	255	4.10	87.0	50,700	891,125
33-36	9	264	3.07	90.1	38,025	929,150
36-39	8	272	2.73	92.8	33,800	962,950
39-42	5	277	1.71	94.5	21,125	984,075
42-45	4	281	1.37	95.9	16,900	1,000,975
45-48	2	283	.68	96.6	8,450	1,009,425
48-51	3	286	1.02	97.6	12,675	1,022,100
51-54	1	287	.34	98.0	4,225	1,026,325
54-57	2	289	.68	98.6	8,450	1,034,775
57-60	0	289	—	98.6		
60 & Up	4	293	1.37	100.0	16,900	1,051,675
	293		100.00		1,051,675	

The investment loss is based on a cost of $600.00 to employ a trainee plus a cost of $500.00 per month to pay his salary and train him. No return was considered for the first four months, and a 50% return was used for 8-12 months. Training costs were terminated at the end of 12 months. These figures are conservative. In determining time on payroll, the mid point of the period was used—I. E. 9-12 months use 10½. Investment loss in a man who has been with us a year or more would be $600.00 to employ plus 4 months at $500.00, plus 6½ months at $250.00 for a total of $4225.00.

General Counsel Exhibit M-10

CHART II

Trainee and Investment Loss—By Mills 1950-1955

Mill	Number Employed	Number Separated	% Separated	Investment Loss
Gerrish	28	19	68	75,025
Gayley	21	14	67	51,775
Judson	100	64	64	235,150
Abbeville	52	32	62	114,075
Excelsior Fin.	30	18	60	70,800
Kingsley	12	7	58	28,075
Pacolet #6	11	6	55	22,350
Johnston	13	7	54	25,200
Drayton	41	22	54	76,950
Monarch	23	12	52	41,200
Pacolet #4	8	4	50	11,025
McCormick	22	11	50	38,475
Laurens	28	14	50	42,400
Excelsior #2	21	10	48	34,875
Hartsville	15	7	47	22,950
Pacolet #3 & #5	9	4	44	15,400
Darlington	9	4	44	11,025
Excelsior-Union	21	8	38	29,425
Lockhart	19	6	32	24,600
Ottarary	13	4	31	10,400
Gaffney	27	8	30	22,050
Hatch	16	1	6	2,725
Miscellaneous	32	11	34	45,725
TOTAL	571	293	51.3	1,051,675

General Counsel Exhibit M-10

CHART III

Terminations by Cause
Trainees Employed and Separated, 1950-1955

Cause	No.	% Total
Quit	138	47.1
Failed to return from M. S.	34	11.6
Other Textile Concerns	32	10.9
Discharged	28	9.6
Lay Off N.W.A.	17	5.8
Teach and Coach	16	5.5
Dissatisfied	7	2.4
Limited Opportunity	3	1.0
Domestic Reasons	2	.7
Wages Unsatisfactory	1	.3
Miscellaneous	15	5.1
TOTAL	293	100.0

General Counsel Exhibit M-10

CHART IV

Hired and Terminations—By Schools 1950-1955

School	No. Empl.	Separated No.	Separated %
Auburn	6	6	100
Duke	6	5	83.3
Wake Forest	5	4	80.0
Univ. of Ga.	14	8	57.1
U. S. C.	28	16	57.1
Ga. Tech	32	18	56.3
Wofford	41	23	56.1
Furman	20	11	55.0
U. N. C.	13	7	53.8
Presbyterian	21	11	52.4
Erskine	8	4	50.0
N. C. State	57	28	49.1
Clemson	182	83	45.6
North Ga.	22	8	36.4
Sub Totals	455	232	51.0
Other	116	61	52.6
TOTALS	571	293	51.3

Trainee Loss and Retention
Textile Degree Vs Other Degrees

Type Degree	No. Empl.	No. Lost	% Lost
Textile	257	111	43.2
Technical	68	38	55.9
Liberal Arts	246	144	58.5
TOTALS	571	293	51.3
% Retention TEXTILE	56.8	or 35.2% Better	
% Retention Tech & L. A.	42.0		

General Counsel Exhibit M-11

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

May 21, 1956

To: Mr. D. R. Arrowood
Mr. C. E. Anderson
Mr. Phillips Byfield
Mr. S. J. Craig, Jr.
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. W. A. Goodwin
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. A. G. New
Mr. W. A. Newton
Mr. T. E. Peden
Mr. H. L. Pratt, Jr.
Mr. George Rankin
Mr. H. B. Risher
Mr. A. W. Stoudemire
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. M. G. Wallace

CC: Mr. George Asnip
Mr. J. M. Bailey
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. K. M. Lowry
Mr. J. A. Mechan
Mr. Roger Milliken
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

General Counsel Exhibit M-11

FROM: W. M. Thornton

SUBJECT: Formal Training Program

Attached hereto is a summary of the activities constituting the college trainee programs in the Deering Milliken mills. Also included is a recommended outline which may be used as the nucleus for an organized approach to this problem.

We would appreciate the comments or criticisms you may have concerning this recommended procedure.

WMT/cm

WMT
(cm)

General Counsel Exhibit M-11

FORMAL TRAINING PROGRAM

Deering Milliken Service Corporation
Placement Department
April 12, 1956

General Counsel Exhibit M-11

INTRODUCTION

As of December, 1955, we have lost, through resignation, 41.3 percent of the college trainees hired since 1945. This represents a loss of 315 young men thought to have potential supervisory ability. This also represents a substantial financial loss as well as bad publicity for the company in its recruiting campaign.

This type information finds its way back to the colleges at which we must conduct our recruiting. This multiplies the loss we sustain in that it will not only make the interviewing job more difficult, but it will tend to discourage many desirable men from making the initial contact with the company.

It will be to the company's advantage to improve our performance with regard to trainee retention. It would result in a monetary saving and would tend to encourage more good men to seek employment with the organization.

This report represents a summary of training offered college trainees in the mills and recommendations for a standardized approach to the training problem. Careful consideration should precede selection of any of the media suggested in this report. The final test of any college trainee program must be, "Does it prepare the man for a supervisory position?"

In response to a request from this department, a majority of the mills submitted information about their programs for trainees. This information is summarized below. The most striking fact about the programs is the lack of uniformity. However, there is similarity of specific training media used.

General Counsel Exhibit M-11

The professors who were our guests in October, 1955 pointed out that the students consider a formal or organized training program of major importance as it assists them in the transition from school to work and to get a better appreciation of what industry expects of them. Such a program will give us a better opportunity to evaluate the trainee's capabilities and give him an opportunity to find the type work for which he is best suited.

* * *

This summary indicates that there are many systems in operation with each mill meeting its needs as they arise. It also indicates that there is a framework within most of the mills around which an organized training program can be developed.

* * *

General Counsel Exhibit M-12

DEERING MILLIKEN SERVICE CORPORATION
PLACEMENT DEPARTMENT

Date: March 28, 1956 Copies:
To: Mr. J. M. Oeland
From: C. G. Johnson
Subject:

Attached hereto is the information we were requested to prepare to assist the sponsors in making contacts at their assigned school and arranging a tour for some of the better men from that school. It is highly desirable for the tour to be completed by April 27, 1956.

As you know, you were requested to act as sponsor for Presbyterian College. Until he left there several years ago, Mr. H. G. Prince handled the placement at Presbyterian. He was extremely interested in Deering Milliken and always had a large group of men lined up for me to see. In the past several years, the placement has been handled by several different people and is now in the hands of Dr. Bellingrath. He is a wonderful person, very friendly to us, but does not push the placement function. One thing that you might do is stress to the officials at Presbyterian the importance of placement work and emphasize how much it can mean to the individual students to have the opportunity to discuss employment with various companies.

Since all the Placement Department contacts are made through the school Placement Department or through one person handling the placement work, please do not in any way by-pass the individual listed as Placement Director.

CHARLIE

CGJ/cm
Attach.

General Counsel Exhibit M-12

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

March 27, 1956

COLLEGE RECRUITING PROGRAM

In the past five years the recruiting of college graduates has skyrocketed all over the country. For 1956, a group of 160 selected companies were seeking 49.9% more engineers and 16.8% more non-engineers than in 1955. Starting salaries have increased as the greater demand, lower enrollments, etc., have shortened the supply.

To assist in securing the number and kind of men we need in the Deering Milliken organization, the Management Development and Training Committee, meeting on March 23, 1956, approved the following program.

(1). The number of schools visited will be curtailed, concentrating on the smaller liberal arts colleges in the two Carolinas and Georgia, with only few exceptions.

(2). A mill head will be assigned as a sponsor at each school.

(3). Mr. Milliken will maintain an active interest in the program and work with the sponsor when time is available.

(4). The sponsor shall maintain close liaison with the school president and/or department heads.

(5). Each sponsor shall arrange a luncheon or dinner meeting with the school president and/or department head, along with interested faculty members and a special group of selected students. These students shall be ones designated as very superior by the school and available for industrial employment. In general, we shall probably have a better chance of interesting and competing salary-wise for young non-veterans than for the veterans who are in such great demand.

(6). The number of students in the group may vary from one or two from the smaller schools, up to a dozen from the larger schools. The groups will be invited to tour several of our mills at company expense. Luncheons and dinners will be arranged during the tour so the students may meet representative mill heads. The sponsor is to arrange the tour. The Placement Department will coordinate the tours.

Please clear suggested tour dates through the Placement Office so several groups will not be scheduled at the same mill on the same day.

(7). The men from the groups will be assigned to various mills, according to qualifications, demand and the interest of the students. In no event should a man be invited to more than two of our mills for a job offer.

(8). Since these men will be especially selected, salary offers should be $350.00 per month minimum, guaranteed.

(9). Each sponsor should contact his designated school immediately and arrange for the dinner meeting at the

school to be held as soon as possible and the tour completed by April 27, 1956.

(10). The sponsors will be asked to make a report, telling what has been accomplished and making sugestions to further the program after the end of the school year. Attached are:

a. List of schools to be visited, sponsor assigned, school head, placement director, and members of faculty known well

b. Suggested tours for students from school

c. List of men employed from the school, present position, if working and name only, if no longer employed.

d. Some points that you might wish to bring out when talking with the students

e. A list of the men from these schools who have been contacted following a recruiting visit this year

CGJ/cm

C.G.J.

General Counsel Exhibit M-12

SUGGESTED POINTS TO BE BROUGHT OUT IN DISCUSSION WITH STUDENT GROUPS

1. Kind of men we are seeking:
   (a). Having ability
   (b). Having ambition
   (c). Having character
   (d). Having leadership ability
   (e). Men who in future can become mill heads
2. Organization and Size:
   (a). Deering Milliken Sales Agent—28 units with 25 in South
   (b). Mills have kept corporate identities and operate as separate units therefore, we have advantages of large and small organization
   (c). Over 600 million yards fabric annually, from cotton, wool, various synthetic fibers, and blend of natural and synthetic fibers.
   (d). Spent approximately 125 million in past 10-12 years in expansion and modernization. 8 new mills. Some older mills completely overhauled and equipped with new machinery.
   (e). Southern location—no unions
   (f). Top management progressive and aggressive—Mr. Roger Milliken
   (g). Research Corporation and Service Corporation.

General Counsel Exhibit M-12

3. Training Program:

(a). Openings in both line and staff at mills and in central staff departments.

(b). Usually "On-the-Job"—Learning by doing

(c). Supplemented by classroom work, conferences and individual coaching and counseling

(d). Adapted to individual so man may advance as rapidly as possible—Varies mill to mill

(e). Advancement based on demonstrated merit and ability.

4. Opportunities and Future:

(a). Textiles here to stay—one of three largest manufacturing industries

(b). Highly competitive—not easy—but excellent opportunity and real challenge to capable men. Textile executives among higher income group in country.

(c). Man hired by one unit—not Deering Milliken—but is available to entire organization. Stress cross transfers mill to mill—staff to line, etc.

(d). Starting management develop program which will help enhance opportunities for capable men.

(e). Records show men who have remained with us have made excellent progress.

General Counsel Exhibit M-12

Following is a list of Presbyterian College graduates hired and retained in the Deering Milliken organization 1945 to 1955, by year and mill:

T. L. Eates	1947	Monarch-Union	Overseer
Wm. Green	1950	McCormick*	Asst. Overseer
Tom Mundy	1950	McCormick*	Ch. I. E.
E. L. Dickenson	1951	Laurens	Trainee
C. M. Bettis	1952	Monarch-Union	Asst. Overseer
J. E. Phifer	1952	Drayton	Time study
M. M. McGahee	1952	Kingsley	Mil. Svc.
E. A. Fuld	1953	Darlington	Mil. Svc.
Cary P. Moore	1953	Laurens	Jr. I. E.
G. K. Blue	1954	Monarch-Union	Mil. Svc.
R. E. Ware	1955	Abbeville	Trainee

The following Presbyterian College graduates have been hired and lost in the DM organization through resignation unless otherwise specified. Dates hired and lost are given.

An asterisk (*) indicates transfer prior to loss.

H. S. Howie, Jr.	9-50	8-52	Judson
E. P. Blakely	6-51	3-52	Laurens
V. Dusenburg	7-52	5-53	Lockhart—Released
E. L. Mann	2-52	8-54	Monarch
J. W. Curtis	10-52	6-55	Kingsley
J. M. Bolt	2-52	6-54	Laurens—Laid Off
J. A. Williams	8-53	11-53	Darlington
L. P. Dondero	2-53	7-53	Gaffney—Released
R. P. Jackson	6-53	3-54	Judson
G. Howe	3-53	6-54	Laurens
J. A. Banks	1-53	?	*Hatch

General Counsel Exhibit M-14

April 16, 1956

Captain James H. Rutledge
Presbyterian College
Clinton, S. C.

Dear Captain Rutledge:

We would like to extend to you an invitation to luncheon at the Mary Musgrove Hotel in Clinton at 12:30 Friday, April 20th. The writer and some others associated with the Deering Milliken group of mills are planning to meet with some of the graduating students of Presbyterian College at this luncheon and discuss opportunities of employment with our group of mills. We understand that you are leaving the army in July and might be interested in civilian employment. I will look forward to meeting you at that time.

Very truly yours,

J. M. Oeland
Treasurer

jmo—m
Blind copies to: K. M. Lowry
C. G. Johnson

General Counsel Exhibit M-15

April 25, 1956

Dr. George Bellingrath
Academic Dean
Presbyterian College
Clinton, South Carolina

Dear Dr. Bellingrath:

I want to express to you my appreciation for your help in lining up the students who had dinner with us last Friday. I trust that our plans will materialize and that they will visit Laurens today, and express their willingness to be considered as possibilities for trainees in one of the mills. I think I made it clear that Mr. Johnson will then circulate the names of those interested in a job to the mills, and they in turn will be invited individually to any of the mills that are interested in getting the different men.

Let me again express my appreciation to you, and I shall look forward to other contacts in the future.

Very truly yours,

J. M. Oeland
Treasurer

jmo—m

cc: Dr. W. M. Brown
Mr. C. G. Johnson

General Counsel Exhibit M-16

May 15, 1956

Mr. C. G. Johnson
Placement Department
Greenville, S. C.

Dear Charlie:

You will find enclosed herewith six college men who have applied to us for summer work and whom we are planning to use.

You will notice one Clemson boy, Jerry R. Weaver, who is taking Industrial Management. It is our understanding that he is a rising senior, but have not confirmed this as yet. We are planning to use Jerry in our laboratory to continue the work that Wendell McGowan, the co-op student from Georgia Tech has been doing in our tension control.

It was our understanding at the last meeting that we set up a rate of $1.25 to be paid to technical students who are rising seniors. In this case you will notice that he is not taking textile engineering, and we would like to have your opinion as to the rate we should pay Jerry. In the cases of the other men, it is our plan to pay them the rate of the job on which they are placed and try to see that they get work in line with their training and education.

Very truly yours,

J. M. Oeland
Treasurer

jmo—m
cc: Mr. Milliken

General Counsel Exhibit M-17

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

April 16, 1956

To: Mr. D. R. Arrowood
Mr. C. E. Anderson
Mr. E. G. Allee
Mr. S. J. Craig, Jr.
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. W. A. Goodwin
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. T. C. Jolly
Mr. W. S. Manning
Mr. A. G. New
Mr. W. A. Newton
Mr. T. E. Peden
Mr. H. L. Pratt, Jr.
Mr. George Rankin
Mr. H. B. Risher
Mr. A. W. Stoudemire
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. M. G. Wallace

CC: Mr. George Asnip
Mr. J. M. Bailey
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. K. M. Lowry
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

FROM: C. G. Johnson

SUBJECT: Employment of Undergraduates for Summer Work

We have been requested to present some information to Mr. Milliken at a meeting April 24, 1956. Will you please

General Counsel Exhibit M-17

fill in the information requested on the attached sheets and return one copy to the Placement Department so we may have it by April 21, 1956, if at all possible?

It is suggested that we concentrate on Juniors who may be available for employment upon graduation.

CGJ(cm)

CGJ/cm

SUMMER EMPLOYMENT OF UNDERGRADUATES

We wish to employ ..... undergraduates for summer work.

We have already made the following offers and those indicated have accepted:

	OFFERED	ACCEPTED
In High School	.....	.....
High School Grads	.....	.....
College Freshmen	.....	.....
College Sophomores	.....	.....
College Juniors	.....	.....

We (will) (will not) employ R.O.T.C. students who have to go to summer camp.

We will pay $..... minimum and $..... maximum per hour.

These men will be guaranteed ..... hours of work per week.

They may be employed from ..... 1956 to ..... 1956.

General Counsel Exhibit M-17

They will be given assignments such as:

.....

.....

.....

.....

We would prefer men taking: Textiles .....

Chemistry .....

Engineering .....

Other .....

MILL: .....

DATE: .....

General Counsel Exhibit M 18

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

June 18, 1956

CC: Mr. K. M. Lowry

To: Mr. C. E. Anderson
Mr. George Asnip
Mr. J. M. Bailey
Mr. S. J. Craig, Jr.
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. J. A. Meehan
Mr. A. G. New
Mr. R. B. Newton
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. H. B. Risher
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone
Mr. W. E. Thrailkill

FROM: C. G. Johnson

SUBJECT: Recruiting Program for 1956-1957 Season

A school sponsor and a co-sponsor from our organization have been designated for each of the twenty two (22)

schools to which recruiting visits will be made to interest prospective graduates and undergraduates in our company.

The function of the sponsors and co-sponsors will be to cooperate with the Placement Department in making contacts with faculty and students at their assigned schools to tell them about and sell them on the Deering Milliken organization and the many opportunities we have for capable men. The sponsors and co-sponsors will make any suggestions they can that may enhance the value of the program and put us in a position to employ the number and quality of college men needed in the organization.

The recommended approach and the one which is outlined in this letter is:

1. The sponsor, co-sponsor, other management representatives from the organization and the writer will visit each school during October and November. When possible, Mr. Milliken and Mr. Lowry will accompany the group. A lunch or dinner meeting will be arranged with school officials and selected faculty members. Through short talks, the Deering Milliken representatives will tell the school people the kind of men we are seeking and about the opportunities that exist in the textile industry in general and in the Deering Milliken organization in particular. The school representatives will be requested to comment and ask questions.

All arrangements for the dinners will be made through the Placement Department. School heads—some deans and certain department heads and always the school Placement Department head, will be included in the group. If the sponsors know of any particular faculty member who could be especially helpful to our cause, his name should be called to the attention of the Placement Department.

General Counsel Exhibit M 18

2. A recruiting visit will be made to the schools during November, December, January and February. Ten days or two weeks prior to the recruiting visit, each school representative that has been our guest, or was invited to be out guest, will be written a letter telling when we will visit the school and requesting that they suggest to those students who meet our requirements that they come in for a personal interview.

The sponsor and/or co-sponsor, in person, should spend at least one day interviewing at their assigned schools with the Placement Department representative. Information shall be recorded concerning each man interviewed. The Placement Department shall arrange all original interviewing visits.

3. Following the interviews, selected men will be invited to tour several of our mills during February and March at our expense. In each instance, the students will tour the mill of the sponsor. An attempt will be made to show each group a cotton mill, a fine goods mill and a woolen or worsted mill. The students will be entertained at a dinner the evening before or the evening of the tour day. Representatives from the mills in the area will be invited to attend the lunches and dinners during the tour. They will do all possible to evaluate the men and sell them on our organization. They should advise the Placement Department of any impressions they gather about the man, either for or against him.

Information regarding men not invited to tour the mills will be circulated to all units as is presently done. Those men invited to tour the mills who are unable to do so at the time suggested, will be offered the opportunity to join another group. If they do not take advantage of the second

opportunity, information regarding them will be circulated in the usual manner. Any mill in the group may contact the men whose names are circulated.

4. The names of the men who make the tours will be assigned to not more than two mills for follow-up and specific job offers. The number of men referred to a mill or department will be in proportion to the number of men they specify they wish to hire. As nearly as possible, it will be in accordance with the mill's specifications and with the student's desires re type of product, kind of work, location, etc. When the mill is not interested in the man referred to them, they should immediately advise the Placement Department so this man may be referred to another mill.

5. The textile schools of N. C. State, Clemson, Georgia Tech, and Auburn are "open game" and those students may be contacted by any mill in the group. However, it is suggested that special interviewing trips to the school be kept at a minimum to avoid confusion. Mills may send a representative to accompany the Placement Department representative during the regular interviewing schedule if they so wish.

Other than at the Textile Schools named, selected men should not be contacted by any mills except those to whom they are specifically referred.

In the follow-up, the mill should invite those men in whom they are interested to visit at company expense. At that time they may be tested, interviewed at length and sold on the opportunities existing at the particular mill.

* * *

General Counsel Exhibit M-19

Deering Milliken Service Corporation
Placement Department
Post Office Box 2000
Greenville, South Carolina

August 16, 1956

To: Messrs. C. E. Anderson
George Asnip
J. M. Bailey
S. J. Craig, Jr.
E. O. DeFore
J. A. Ferguson
L. J. Fisher, Jr.
Winston Garth
J. M. Jackson
W. S. Manning
J. A. Meehan
A. G. New
R. B. Newton

To: Messrs. J. J. Norton, Jr.
J. M. Oeland
I. S. Pitts, Jr.
H. B. Risher
A. B. Sibley
W. A. L. Sibley
G. G. Simmons
M. C. Stone
W. E. Thrailkill

CC: Messrs. K. M. Lowry
Roger Milliken

FROM: C. G. Johnson

SUBJECT: Luncheon and Dinner Meetings with School Faculties

* * *

The schools are anticipating this visit so a schedule has been prepared that we may have from 6 to 8 DM representatives at each school, with the exception of U. S. C. and Clemson where 10 and 15 respectively are scheduled. Each sponsor and co-sponsor has been scheduled to attend from 4-6 of these meetings. Some other members of the organization have been scheduled to attend a limited number of the meetings also.

* * *

General Counsel Exhibit M-21

Deering Milliken Service Corporation
Placement Department
Post Office Box 2000
Greenville, South Carolina

October 8, 1956

To: Messrs. C. E. Anderson
S. J. Craig, Jr.
L. C. Ellis
J. A. Ferguson
L. J. Fisher
W. F. Garth
C. T. Holland
J. M. Jackson
T. C. Jolly
W. S. Manning
A. G. New
R. C. Owings
T. E. Peden
H. L. Pratt, Jr.
H. B. Risher
F. A. Thompson
W. E. Thrailkill
M. G. Wallace

CC: Messrs. George Asnip
J. M. Bailey
E. O. DeFore
K. M. Lowry
J. A. Meehan
J. J. Norton, Jr.
J. M. Oeland √
I. S. Pitts, Jr.
A. B. Sibley
W. A. L. Sibley
G. G. Simmons
M. C. Stone

FROM: C. G. Johnson

SUBJECT: Employment, Training and Retaining of College Trainees

Starting salaries offered college graduates will be higher during the 1956-57 recruiting season than they were this year. The demand for these men is still increasing. The men of the calibre we are seeking will have many interviews and receive many offers. It will require considerable effort on our part to attract the men we want and to hold them once we employ them.

While visiting all the mills during August and September 1956 the problem of employing, training, and retaining

college graduates was discussed at length. The factors mentioned most frequently were:

a. Don't employ more than is needed

b. Be very selective

c. Give the men close personal attention

d. Have training well organized and interesting

e. Move the trainees along as rapidly as possible.

It was brought out that the mill personnel can do much to get and keep the men they want. In the listing of the items or factors mentioned at the mills, there is some overlapping. A review of these factors may bring out some points that will be of assistance in your training program

1. Where the town or living conditions might not be conducive to employment of trainees, concentrate on local students.

2. Use summer work to maximum extent. Employ for summer work those students whom we will have a chance to employ upon their graduation.

3. Employ co-ops. Work with Clemson on Co-op basis.

4. Utilize contacts with faculty made during our series of luncheons and dinners to sell the textile industry and our organization. Where requested, attend these meetings.

5. If applicant is married, invite his wife to visit the mill with him. Show her the mill and community, and do a selling job on her as well as on the applicant.

6. If a married trainee is employed, make the wife feel a part of the community—call on her and give assistance where can.

7. Don't oversell during the interview. Be factual and point out the bad as well as the good.

8. Don't employ more trainees than are needed.

9. Select men to whom offers are made very carefully. Try to continually raise standards.

10. Having found the right man, pay what it takes to get him. Don't lose a good man for a few dollars and then hire a mediocre one.

11. Decide what you want the trainee to know.

12. Have a planned indoctrination or orientation period.

13. To help overcome that "ill at ease" feeling at first, give them an organization chart, with names, and a simple process flow chart or manual of procedures. These will let them know names of people and assist them in finding their way around.

14. Plan a way for the trainees to move along and have definite objectives for them. Let them know how they can progress if they merit advancement. Let them see the door is open to advancement if they have ability and apply themselves.

15. Gain acceptance of the program and trainees from all supervisors. Do a special selling job on those supervisors who are not in favor of the program.

General Counsel Exhibit M-21

16. Be sure of the individuals under whose jursdiction the trainees are placed.

17. Give personal attention to the trainees. Follow their progress closely.

18. Have a good and attractive training program. Where necessary, adapt the program to the individual. Most trainees are lost because, in their opinions, something is wrong with the program.

19. Move the trainees along as rapidly as possible. Don't block their road to progress.

20. Plan the training so the man can feel he is progressing and keep in contact with him to see that he does so. Keep them busy and interested.

21. Plan the training and see that the man is trained correctly. Use vestibule training.

22. Show individual interest in the man—not as just a member of a large group. Assign him to a sponsor.

23. Pull out of training program and put on special assignments as problems arise. See what he can do and if he uses imagination. This will help the trainee feel he is making a contribution.

24. Give the trainee a positive supervisory assignment as soon as possible.

25. It might be desirable to assign trainees to a staff department at first so they can get an overall picture of the plant.

26. Have all trainees take the Dale Carnegie Course.

27. Have all trainees attend the DMIED time study school, whether going to I. E. work or not.

28. Improve communications with trainees. Tell them "Why".

29. If there is no opening within a reasonable time after a man has completed his training, assign him to a staff department such as I. E. to work on special assignments.

30. Periodically get verbal or written progress reports from head of department where the trainee is working. The department head should be the trainees counsellor while in that departmnt.

31. Intensify cooperation between mills and make greater use of cross transfers.

32. Publicize the transfers made.

33. Advise the Placement Department if a man is ready for promotion and there will be no opening in the near future in your plant.

34. If a trainee is not working out, from his or the company's viewpoint, advise the Placement Department so a transfer can be arranged.

35. Advise the Placement Department of aspects of hiring and training that might have either a good or an ad-

verse effect on the program. This information will be circulated to all mills.

36. If it is necessary to terminate a trainee for not measuring up to our standards (not flagrant violation of rules) give him the opportunity to find another job before separating him.

37. Have a representative of the Placement Department visit the mills regularly and meet individually with the trainees to discuss their problems and progress.

38. Keep in touch with those trainees who go in military service. Have different ones, such as Treasurer, Manager, Superintendent, Overseer, Second Hand, Personnel Manager etc. write the man.

39. Get trainees, and their families, to understand and take part in community life.

40. If there is a trainee a mill particularly wants but cannot meet salary requirements for fear of disrupting present scales, have I. E. D. employ him for six months, with the mill footing the bill.

CGJ:lw

General Counsel Exhibit M-22

Deering Milliken Service Corporation
Placement Department
Post Office Box 2000
Greenville, South Carolina

July 23, 1956

To: Messrs. C. E. Anderson
S. J. Craig, Jr.
L. C. Ellis
J. A. Ferguson
L. J. Fisher
W. F. Garth
C. T. Holland
J. M. Jackson
W. S. Manning
A. G. New
R. C. Owings
T. E. Peden
H. L. Pratt, Jr.
H. B. Risher
F. A. Thompson
W. E. Thrailkill
M. G. Wallace

CC: Messrs. George Asnip
J. M. Bailey
E. O. DeFore
J. A. Meehan
J. J. Norton, Jr.
J. M. Oeland
I. S. Pitts, Jr.
A. B. Sibley
W. A. L. Sibley
G. G. Simmons
M. C. Stone
K. M. Lowry

FROM: C. G. Johnson

SUBJECT: Pay-for-College-Trainees

July 19, 1956 Mr. Sterling L. Smith wrote explaining various plans that could be used to provide certain classes of employees with minimum guaranteed weekly income. In his letter Mr. Smith points out that Plan I A, the 48 hour guarantee, is the simplest for paying trainees, if we can provide them with 48 hours of work available, excluding regular holidays, each week.

This plan is the one recommended by the Placement Department. Will you please write advising me if you will

use this plan when employing trainees. We will need this information in the recruiting season that will start this fall.

Starting salaries for college graduates will probably continue to increase for the 1956-1957 season. Will you also please advise me what starting rate ranges you will offer trainee applicants with Liberal Arts and Technical and Textile Degrees. We will get a better selection of men if our rates are more competitive with the other concerns that recruit. The Placement Department recommends monthly starting salary ranges of $350.00 to $375.00 for Liberal Arts graduates and $375.00 to $400.00 for Technical and Textile graduates.

C. G. J.

CGJ:lw

NOTE: This is the only copy being sent to your mill.

General Counsel Exhibit M-23

August 7, 1956

Mr. C. G. Johnson
Placement Department
Greenville, S. C.

Subject: Pay for College Trainees

Dear Charlie:

I have given a good deal of thought to your letter of July 23rd in regard to salary of trainees we might employ.

I agree with you in order to get these men we will probably have to pay a salary range in line with what was outlined in your letter. On analyzing this we find that we are not presently paying college men we have hired and promoted as much as you suggest. This presents a real problem to us to get trainees with the other mills in the organization offering salaries in line with your suggestion. I feel that I can only say at the moment that we will give the matter our further consideration, and will have to go along with stated salaries in the range suggested that will be offered by Deering Milliken mills. We then will have to analyze the situation and the possibilities of the men in question when they are actually hired here at Darlington.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit M-24

February 22, 1956

Mr. C. G. Johnson
Placement Department
Box 2000
Greenville, S. C.

Dear Charlie:

We here at Darlington would like to get a master mechanic. When the job came open we took it up with Mr. Bush's department and they recommended Mr. Jimmie Wells who was a second hand at Geffney. Jimmie came down and we hired him but shortly before he was to move an opening came at New Holland that he felt and better opportunities and he asked us to release him. We again have gone to Mr. Bush's department but at the moment they have no one to recommend for the job.

We would appreciate your going over the list of the supervisors in the several mills and let us know if there are any second hands in the shops that the management of the mill feels would qualify for a promotion. We will try to use this information in going back to management and asking them if they would consider letting us have the particular man. In giving us this information we would appreciate your giving as much detail as you have available on certain men.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. Goodwin

General Counsel Exhibit M-25

DEERING MILLIKEN SERVICE CORPORATION

ENGINEERING DEPARTMENT

P. O. Box 1605

SPARTANBURG, SOUTH CAROLINA

TO: Mr. J. M. Oeland DATE April 20, 1956

FROM: R. H. Bush COPIES TO: Mr. C. G. Johnson

SUBJECT: Darlington Manufacturing Company

On Tuesday Charlie Johnson and I interviewed some June Graduates at Southern Tech. We were looking for trainees but talked with one man, Roy T. Powell, who might fit your requirements for a Master Mechanic very well. Charlie has sent Mr. Powell's application to you but I would like to give you my opinion of the man.

Mr. Powell spent some 24 years in the Navy as an electrician prior to attending Southern Tech. During this period, he had plenty of experience in maintenance work and learned to handle men. Needless to say, the Navy is very strict about routine maintenance. This one fact could make Mr. Powell a valuable man. I liked Mr. Powell very much and feel it would be well worth while for you to talk with him. Although he would not be familiar with all of your equipment, I am certain he would learn fast.

I do not know what salary would interest him, but it would, of course, not be a trainee rate. I would be very interested in hearing from you if you decide to talk to Mr. Powell.

Russell

General Counsel Exhibit M-26

April 25, 1956

Mr. C. G. Johnson
Box 2000
Greenville, S. C.

Dear Charlie:

I am enclosing herewith the interview record of Roy Thomas Powell with regard to the master mechanic's job we have here at Darlington.

After discussing the matter with Bill Goodwin this mroning we have decided in view of the fact that the man we have been discussing the job with has had mill experience and would know something of the problems we have here, it is our feeling that he perhaps would take care of our job here better than Mr. Powell who has had no mill experience.

We want to express to you our appreciation for your help, and trust that some of the other mills can avail themselves of the services of Mr. Powell.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. R. H. Bush

General Counsel Exhibit M-27

DEERING MILLIKEN SERVICE CORPORATION
PLACEMENT DEPARTMENT

Date: June 5, 1956 Copies: Mr. K. M. Lowry

To: Mr. J. M. Oeland

From: C. G. Johnson

Subject:

Recently Mr. Bill Engelson of Wofford College wrote about one of their students, Dick Wallace. I interviewed Mr. Wallace in Spartanburg June 4th. He is from Darlington and is interested in employment there. He thought he would go into military service in July but received his orders which called for November, 1956 and two years of service. Mr. Wallace was returning to Darlington June 4th and said he would go to see you. I was most favorably impressed with him and think he will make an excellent man in the organization.

If you do not have an opening where you can use Mr. Wallace, Mr. Nicholson at Drayton would like to talk with him regarding employment.

CGJ/cm

General Counsel Exhibit M-28

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

May 25, 1956

To: Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. Winston Garth
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. J. J. Norton Jr.
Mr. J. M. Oeland
Mr. H. L. Pratt, Jr.

FROM: W. M. Thornton

Mr. Dan Arrowood, of the Hartsville Cotton Mill, called this office yesterday and explained that he needed a college trainee who was ready for a second hand's job in the spinning room. He asked that we contact the other mills in the organization to see if they had such a man available.

If you know of a man who could fill this opening; would you please contact Mr. Arrowood at your earliest opportunity?

Thank you very much.

WMT/cm

General Counsel Exhibit M-30

July 3. 1956

Mr. Charles Johnson
W. A. Goodwin
List 169

Noted in your list sent out on 6/27/56 a J. R. Pruitt now employed at Woodside mills. We would be interested in this man for a 3rd shift supervisors position which would cover the entire mill and report directly to me. I would like to talk with this man and would pay his expenses to the mill. Would you make the arrangements and notify me if and when he would visit Darlington.

General Counsel Exhibit M-31

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

April 5, 1956

To: Mr. E. O. DeFore
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. W. A. L. Sibley
Mr. M. C. Stone

From: C. G. Johnson

Subject: Cooperative Training

January 19, 1956 we sent you a letter briefly describing West Point's cooperative training program. Included were some suggestions that could be followed by the mills in our group to interest capable men presently in high school in the textile industry.

We are unable to locate a copy of your reply to our request for your comments on the suggestions we made. Will you please have your secretary send us a copy as we wish to summarize your comments and suggestions.

CGJ/cm

General Counsel Exhibit M-33

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

April 3, 1956

To: Mr. D. R. Arrowood
Mr. C. E. Anderson
Mr. D. I. Beal
Mr. Phillips Byfield
Mr. S. J. Craig, Jr.
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. W. A. Goodwin
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. William Moore
Mr. A. G. New
Mr. W. A. Newton
Mr. T. E. Peden
Mr. H. L. Pratt, Jr.
Mr. George Rankin
Mr. H. B. Risher
Mr. A. W. Stoudemire
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. A. C. Wiesner
Mr. M. G. Wallace

CC: Mr. George Asnip
Mr. J. M. Bailey
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

FROM: C. G. Johnson

SUBJECT: Employee Data

General Counsel Exhibit M-33

We have been asked to make a survey to compare certain information about employees in all our mills with similar data re employees in other industries. Will you please have someone fill in the information requested on the attached sheet and return one copy to the Placement Office at your earliest convenience? If possible, please base the length of service data on the roll for "vacation pay", as of March 31, 1956. If some other basis is used, please give date.

C G JOHNSON

CGJ/cm

General Counsel Exhibit M-34

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

July 3, 1956

To: Mr. George Asnip
Mr. J. M. Bailey
Mr. Russell Bush
Mr. E. O. DeFore
Mr. Harry Defore
Mr. K. M. Lowry
Mr. J. A. Meehan
Mr. Roger Milliken
Mr. M. K. Milliken
Mr. R. B. Newton
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

CC: Mr. E. G. Allee
Mr. C. E. Anderson
Mr. S. J. Craig, Jr.
Mr. I. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. R. C. Owings
Mr. T. E. Peden
Mr. H. L. Pratt, Jr.
Mr. H. B. Risher
Mr. I. B. Roberts
Mr. F. A. Thompson
Mr. M. G. Wallace

FROM: C. G. Johnson

SUBJECT: Income of Deering Milliken College Trainees vs. Engineers in Industry

The attached chart shows, as of 1954, the average annual income of our college trainees versus that of engineers in industry for those men employed from 1946 through 1953, inclusive.

The income data for engineers were secured from "Income and Salary Survey", published by the National Society of Professional Engineers. The data were based

on 14,328 valid replies which represents 42% of the society's membership. There was some misunderstanding re the questionnaire specifying 1954 as the year employed, so these data were eliminated from their survey and were not available for comparison.

CGJ/cm

The following tabulation is quite interesting:

Year Employed	Deering Milliken Average Income	Engineers Median Income	Variation from Deering Milliken	Engineers Upper Quartile Income	Variation From D. H.
1953	$4,342	$4,990	$ +648	$6,250	$+1,908
1952	4,986	5,310	+324	5,910	+ 924
1951	5,603	5,560	— 43	6,280	+ 677
1950	5,551	5,860	+309	6,780	+1,229
1949	7,338	6,330	—1,008	7,140	— 198
1948	8,426	6,730	—1,696	7,770	— 656
1947	8,337	7,040	—1,297	8,330	— 7
1946	9,560	7,310	—2,250	8,850	— 710
		NET:	$—5,013		$+3,167

Over the eight year period, the average income of a college trainee in our organization is $5,013 greater than that of the average engineer. Over the same period, the upper 25% of the engineers earn only $3,167 more than our average. By interpolation of these figures, our upper 25% would earn $5,848 more than the upper 25% of the engineers over the eight year period.

The Engineers' Joint Council plans to make another survey of the incomes of engineers during 1956. Between the E.J.C. and the N.S.P.E. surveys, we will be able to keep the above chart up-to-date.

Respondents' Exhibit M-2

Deering Milliken Service Corporation
Placement Department
P. O. Box 2000
Greenville, S. C.

June 12, 1956

To: All Personnel Managers

FROM: C. G. Johnson

SUBJECT: J. R. T. Institute

One of the mills is interested in sending a man to a J. R. T. Institute so he may become qualified to hold J. R. T. sessions. So far as we can find out, T. W. I. has gone out of business. Mr. Lamar Partain, formerly associated with T. W. I., is in the hardware business in Greenville and can hold institutes in J. I. T., J. R. T. and J. M. T. at certain times.

An institute is put on during one week and lasts 40 hours, five days, eight hours per day. A maximum of ten participants may take an institute. The cost of an institute is $2500.00. This includes all manuals and cards as well as a quality control check on each participant as he is holding a session.

Should you wish to have someone from your mill participate in a J. R. T. Institute, please advise me so one can be arranged. Those indicating interest will be advised if the response is not sufficient to justify it.

Mr. Partain will put on J. R. T. sessions at a cost of $25.00 per man for the ten hour course and J. I. T. and J. M. T. sessions at a cost of $35.00 per man. These sessions are limited to ten people per group.

CGJ.

C.G.J.

General Counsel Exhibit N-1

(Quoted from the S. C. State Chamber of Commerce "Newsletter" October, 1956)

"The President of Monument Mills, Inc. at Housatonic, Massachusetts notified the mill's 300 employees last week that the plant would be closed permanently the first week in November. The notice stated that since signing a labor contract last February, the union had kept the mill in a state of turmoil and reduced efficiency and production to the point that the owners were convinced the Mill had no future and investment of further funds were not justified. Monument was at one time the second largest producer of bedspreads in the world and, as recently as five years ago, had a payroll of over 1,000 employees."

General Counsel Exhibit N-3

DATE: February 23, 1955 Mr. Winston Garth

TO:
Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. R. Brandt, Jr.
Mr. S. J. Craig
Mr. E. DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. E. H. Hines, Jr.
Mr. C. T. Holland
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

* * *

In this connection, I would like to suggest that you order from the Textile Information Service through the ACMI Charlotte office copies of a booklet that they have prepared called, "Danger Ahead for Your Job." This booklet is extremely well prepared, and I would like to suggest that you distribute one to every employee. This whole situation is a matter of life and death to our industry, and I hope that all of you can be as successful as Garland Simmons was in getting your employees in behind a letter writing program to the Senate. A thousand letters were written from Drayton to Congress.

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit 5

DATE: March 1, 1955

TO: Mr. K. M. Lowry

FROM: Roger Milliken

At the trustees meeting at Charlottesville it was decided that this summer instead of having a giant comparative processing test that students would be asked to do work on a special theses projects in the member mills. It was felt that by bringing these theses projects to a conclusion and by testing them out in actual production, a great deal of benefit would ensue.

It is the plan that the Institute will make up a list of the projects to be worked on and will advise the mills, who can then indicate whether they are interested and willing to have the students work in their mill on these projects at the mill's expense, it being understood that the information gathered would be available to all of the membership. The students working on these projects would be first year students and those who are preparing to enter the Institute.

It is my hope that it will be possible for us to have a great many of these studies made in our mills because while it is true whatever is found out will be made available to the membership at large, it is my thinking that we will benefit greatly by having the tests made in our mills and it will also give us an opportunity to evaluate the capabilities of the individual students and an opportunity to get to know better those whom we will want to subsequently hire upon graduation.

I am writing this letter to ask you if you will be the liaison between the Institute and our mills to make certain

that we get as many of these projects assigned to our group as possible.

cc: Mr. Randolph Brandt, Jr.
Mr. Harry Defore
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit 6

DATE: August 27, 1955

TO: Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. H. C. Byrd
Mr. H. Defore
Mr. R. B. Newton
Mr. S. L. Smith

FROM: Roger Milliken

Ken Lowry has set up a three-day meeting with the heads of the Industrial Engineering departments of the technical colleges in the South for October 10, 11, and 12, when he is explaining our business to them with the hopes that they will be more inclined to recommend to their best engineering students that they come into the textile industry rather than going into electronics or aviation.

The itinerary calls for their being in Spartanburg the night of the 11th, and as this is the time that we will be having our next meeting, I thought it would be an excellent idea if we could all have dinner together, and if you could arrange it, I would appreciate your planning to be with us at 6:30 p.m. at the Piedmont Club.

General Counsel Exhibit 7

DATE: January 27. 1955

TO: Mr. Randolph Brandt, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. Alan B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

FROM: Roger Milliken

Could you please send to me with a copy to Mr. Minot Milliken a dollar figure showing the amount of capital equipment that has been received since the beginning of the current fiscal year, or is currently on order, or for which you know orders will be placed within the next 3 months.

cc: Mr. Minot K. Milliken

R. M.
e.

General Counsel Exhibit 8

DATE: April 3, 1965
(Dictated April 2nd)

To: Mr. J. M. Bailey
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

FROM: Roger Milliken

Now that the plans for capital expenditures for the year are fairly well formalized, could you please write me a letter advising me what these will amount to for the current fiscal year and how this compares with the amount of depreciation you will be setting up (including the half year's depreciation on these new items).

JMD

General Counsel Exhibit 8

If you will have any commitments which will not have been installed by the November 30th date, could you please add these as open commitments at year end in this report which you will be returning.

cc: Mr. Minot K. Milliken

General Counsel's Exhibit N-9

April 12, 1956

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

In your letter of April 3rd you requested that we advise you as to the amount of depreciation that we are accruing as compared to the amount necessary this year with one-half year's depreciation on all new equipment. We are enclosing a list of equipment we have bought or are planning to buy and capitalize. Of this amount you will note that we have paid $43,231.90. The total amount we are anticipating capitalizing is $462,822.77. You will further note that we have listed the spinning frames as not coming in this year. I am hoping that we will get to purchase them in this year and get them installed but since they fit in with other questions of card room production we are not sure we can make them this year.

You will note that the half year depreciation on the 1956 additions amounts to $40,762.79. This added to our usual depreciation will amount to $195,036.59. We will plan to accrue this much.

Very truly yours,

J. M. Oeland
Treasurer

General Counsel's Exhibit N-10

DATE: March 1, 1955

FROM: Roger Milliken

In the immediate future we are planning to install a great deal of Pneumafil type equipment, and in discussing this with one of our treasurers the other day, he pointed out that he believed that we would be wise to plan to install that system which provides waste collection at each individual frame rather than at a central spot, his thinking being that it would be easier to control the amount of waste made if the mill has a per-frame check rather than just a central check on the amount of the waste.

It is my understanding that this can be accomplished with a central station control of the air if that is desired to tie in with your present air conditioning equipment.

General Counsel Exhibit N-11

DATE: December 12, 1955

TO: Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

FROM: Roger Milliken

The requests for capital expenditures show that it is possible to make a very good return on the installation of 40" section beams and automatic beam handling equipment, and I am therefore writing this letter to ask you if you would please make a study of what the return would be on such an expenditure.

Could you please all have this in my hands by February first, and then we will review the situation for the whole organization and see whether we cannot work out a very advantageous price with some supplier of this equipment and thus make the returns better than they otherwise would be.

Please send a copy of your report to Ken Lowry's department so that he can consolidate this information.

cc:
Mr. Hal C. Byrd
Mr. K. M. Lowry

General Counsel Exhibit 13

DATE: January 17, 1955
(Dictated January 14th)

TO: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. S. J. Craig
Mr. W. E. Dunn
Mr. E. DeFore
Mr. J. A. Ferguson
Mr. L. J. Fisher
Mr. Winston Garth
Mr. W. Basil Hill
Mr. E. H. Hines, Jr.
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. E. P. Mullendore
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

As a result of the very excellent meeting that was held at Gaffney yesterday, it was decided by the treasurers that we would ask Mr. Norton to be host to two meetings which would be held on the same day at Gaffney. One of these meetings would be for all the master mechanics and plant engineers from all plants. At this meeting Mr. Cook, who is in charge of this activity at Gaffney, would make a detailed presentation of the things they had been doing at Gaffney. All who were present at the meeting yesterday know what a fine accomplishment they have had in this department.

The second meeting will be a discussion of opening, picking, carding, drawing, and roving, at which meeting Mr. Holland, the overseer of these activities at Gaffney, will make in detail the presentation on what Gaffney has

done in these departments. This also will be a very stimulating meeting for all card room overseers in the organization who will be invited to attend this meeting.

Mr. Norton will be advising you of the dates of these meetings. It was suggested that they be held on the same day to simplify traveling arrangements for those who are attending from mills that are not right next to Gaffney.

cc: Mr. R. Brandt, Jr.
Mr. R. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit 14

DATE: January 21, 1955

To: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. S. J. Craig
Mr. E. DeFore
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. W. Basil Hill
Mr. E. H. Hines, Jr.
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. E. P. Mullendore
Mr. H. L. Pratt
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

Contrary to the earlier letter I wrote, we want to schedule the meeting at which we will hear reports on the recommended procedures in opening and picking, carding, drawing, roving, warp preparation and weaving on the 16th instead of the 17th of February.

* * *

As you know, we have asked each mill making a presentation to schedule it for 30 minutes, leaving a 30-minute period for questions and answers. I have already heard one of these presentations, and I am sure that this is going to be one of the most worthwhile meetings that we have ever had.

In order that this meeting may get along, it has been decided to start it at 8:30 a.m. in the conference room at Drayton.

General Counsel Exhibit 15

DATE: February 22, 1955

TO: Mr. Randolph Brandt, Jr.
Mr. Ernest DeFore
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud
Mr. Hal C. Byrd
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. McCullough
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

FROM: Roger Milliken

At our meeting last Thursday we discussed a great many items and each of you agreed to undertake certain projects at this meeting. I am very anxious to see us pursue these projects to a successful conclusion and therefore would appreciate it if you could drop me a line outlining the projects that you undertook to take on so that I could consolidate this information and make it available to all of those who attended this meeting and so that we may have an agenda to work from at our next meeting.

General Counsel Exhibit N-16

DATE: April 6, 1955

TO: Mr. George Asnip	Mr. Winston Garth
Mr. J. M. Bailey	Mr. E. H. Hines, Jr.
Mr. George Baker	Mr. C. T. Holland
Mr. Marion Beacham	Mr. W. S. Manning
Mr. D. I. Beal	Mr. J. A. Meehan
Mr. Randolph Brandt, Jr.	Mr. J. J. Norton, Jr.
Mr. S. J. Craig	Mr. J. M. Oeland
Mr. E. DeFore	Mr. I. S. Pitts, Jr.
Mr. R. C. Edwards	Mr. H. L. Pratt
Mr. J. A. Ferguson	Mr. G. G. Simmons
Mr. L. J. Fisher, Jr.	Mr. F. A. Thompson
Mr. L. C. Ellis	Mr. W. E. Thrailkill

FROM: Roger Milliken

I have a feeling that we did not sufficiently tie up the benefits to be gotten from the meeting held the beginning of March wherein several mills presented their recommendations on opening and picking, carding, drawing, roving, spinning, spooling and warping, and slashing.

It was my hope that after this meeting each mill would take back the printed reports that had been made up in preparation for this meeting and would have their overseers read this report and come back with recommendations as to which of the items recommended had application in their mill and should be adopted.

General Counsel Exhibit N-16

I would be very interested in having you write me what you did with your organization as a result of this meeting and then I will plan to pass on to the rest of the organization a collection of the most significant results that came from this meeting.

Could I please have a letter from you about this.

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. G. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit N-17

DATE: April 6, 1955

TO:

Mr. George Asnip	Mr. Winston Garth
Mr. J. M. Bailey	Mr. E. H. Hines, Jr.
Mr. George Baker	Mr. C. T. Holland
Mr. Marion Beacham	Mr. W. S. Manning
Mr. D. I. Beal	Mr. Jos. A. Meehan
Mr. Randolph Brandt, Jr.	Mr. J. J. Norton, Jr.
Mr. S. J. Craig, Jr.	Mr. J. M. Oeland
Mr. Ernest DeFore	Mr. I. S. Pitts, Jr.
Mr. R. C. Edwards	Mr. H. L. Pratt
Mr. L. C. Ellis	Mr. G. G. Simmons
Mr. J. A. Ferguson	Mr. F. A. Thompson
Mr. L. J. Fisher	Mr. W. E. Thrailkill

FROM: Roger Milliken

I think you will be interested in reading these excerpts from the report from Gainesville Mill for the last month, particularly their reference to what they have done and are doing as a result of the meeting which the synthetic group put on for us last month.

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit N-17

Excerpts from Gainesville Report

"On March 8, 1955 we were privileged to attend the meeting at Judson. At this meeting the synthetic group presented some startling facts. Granted that real progress has been made by the synthetic mills, the importance of the meeting to us was the method used to make these accomplishments possible.

"On the morning of March 9th we discussed briefly some of the results with our supervisors, and more fully with them how these things had been accomplished. We asked that they go along with us on an experiment. A meeting was set for March 15th and each supervisor was asked to bring to that meeting three ideas on how he could reduce costs in his department.

"We had been working with our weave room overseer in an effort to reduce the labor complement in one of his departments, the standards department had also worked on this project, and the conclusion had been reached that very little could be done in that particular weave room to reduce the costs. After our meeting of March 15th, this overseer came into our office and said that "after thinking it over I believe that if the warp man could be trained to smash, then three smash hands could be eliminated from that department." At the present time the warp men are being trained for this job.

"The cloth room overseer presented an outline to eliminate one shift of the cloth room operation. Under his plan, the second hand will be used as a second hand, where in the past he has been little more than a checker. The department will have a full time fixer and all of this will be accomplished with a saving of $7.592.00 a year. The cloth room

overseer further states, "I do not think I will have to let anyone go because vacations and normal turnover will take care of them."

"We had a second meeting on March 23rd, and a summary of the potential savings suggested by the overseers present at that meeting totalled slightly over $50,000.00 per year. This program is something that we have been endeavoring to do for a long time and we are grateful to the synthetic group for having shown us how to set about it. We have made a start and believe that although our showing will not be as startling as that made by the synthetic mills, we definitely have an opportunity ahead of us.

"D. M. Research Corporation completed an inspection of our cards and rated us at 104 demerits per card. Also during the period they inspected our roving frames and rated us at 1.1 demerits per spindle. We were trying to get under 1 demerit per sindle and now hear that Gaffney was rated at 1.0 demerits per spindle. We are beginning to feel that they are the "Test line mill."

In addition to the maintenance team in the spinning room, we have set up a system for section men so that low demerits per spindle may be maintained. Under this system each section man inspects and corrects 3 frames per week. This will mean that on our third floor spinning room all frames will be covered once per 6 weeks and on the fifth floor, once each 8 weeks. This new method will be most beneficial.

"During the period our maintenance team completed 14 frames.

"A partition has been installed between the 2 warpers in the spooler room. This partition reaches from the ceiling downward and a curtain is lowered from the partition to the

floor when one warper is being blown off. This prevents lint from being blown into the yarn being run on the other warper and will aid us in quality improvement.

"The weave room overseer states in his report that he is planning meetings with his second hands similar to the meetings already described with the overseers. We are encouraging each overseer to carry this thinking through the entire organization. As Frank Haddon says, in doing this the overseer is having to analyze his department closer than he has ever done before. "They are having to think positively about how to make something work rather than why it won't work."

"Stowe-Woodward squeeze rolls were installed on slasher #5. These rubber rolls have been in operation since March 7th and are apparently doing a good job. The total weight on these rolls is approximately 1,110 pounds. A considerable saving can be realized through the use of these rolls and the elimination of woolen blankets, so we are watching their operation very closely.

"In the February report we reviewed our experiments preparatory to the installation of 30 cards in the card room. These experiments are continuing and we now expect to absorb these 30 cards with no additional operating costs in card room personnel. We will probably run laps between 56 and 60 pounds. This lap will be run with approximately 3,000 pounds pressure on the stack rolls and 70 pounds pressure on the pneumatic rack. This arrangement produces a lap small enough to be easily handled and a well felted lap. We expect to reduce our carding rate from 9.68 to 8.6 pounds per hour, 100%.

"We expect to assign 10 additional cards to the card tenders and 30 additional cards to the card stripper, all frequencies of stripping to remain the same. Probably it will

be necessary to add some of the stripping duties, such as cleaning stripper tanks, to those of the general cleaner. The overseer has come up with this arrangement, which we believe to be satisfactory.

"The weave room overseer is continuing to work toward reduced humidity in the weave rooms. At present he is rearranging humidifier heads in #2 weave room, with 2 lines now completed. He reports that he expects to bring the humidity down about 6% in this rom which will mean to approximately 80% R.H. In #1 weave room he has installed electronic control elements in the Minneapolis-Honeywell boxes which control at 82% R.H., plus or minus three.

"In #4 weave room where our main effort has been directed, we are now running at 75% relative humidity.

"The Duro-Test fluorescent tubes which we had on order have been received and installed at the inspection frame and folder in the cloth room. We are using the turquoise color and believe that it is a much improved light for inspection of greige goods. Although these tubes cost $1.36 each, the claim is that they will last approximately 30% longer than the plain tube. Probably we will equip our inspection frames and folders with these tubes.

"At the suggestion of Mr. Truluck, we are sampling each bale of cotton before it is put into our mix. The cotton department checks the grade, staple, micronaire and tensile on each day's mix and attempts to report back to us their findings before these bales go into our process.

"At the present time we are accumulating data and will attempt to correlate performance throughout the entire preparation with this data. It is our plan to be able to cull from a mix any bale which we may be able to designate as sub-standard when these standards are determined.

"At the present we have found only one bale which varied from its original classification of spinability. Per-

haps the main advantage of this test will be the correlation between spinning room performance and cotton opened, if this can be determined.

"In the last four weeks we used a total of 281 shuttles. This gave us the best average loom hours per shuttle that we have ever had, of 3.467.

"Sometime ago we reported the method used in correcting and maintaining our moist-o-graph Brown instruments. We have received a report on these instruments specifically calling our attention to the rectifier. It has been found that the average operating life of the 5Y3-GT tube is approximately 2 to 3 months. By changing this tube to a 5U4-G the effective life can be doubled or trebled. This is a small cost saving insofar as parts are concerned, but we expect less trouble with our instruments, more constant control and, therefore, better warps. We have a regular inspection report on these machines which we feel confident would be of value to anyone caring to adopt its use.

"It is interesting to read from the card room overseer's report that in overhauling the drawing frames the man hours required on this cycle are only half those required previously and that the parts needing replacement are at a bare minimum. It is the card room overseer's plan to continue overhauling on the same cycle in order to maintain quality production even though very little, normally, will be found to do. Card room efficiency has increased and last week stood at 83.6%.

"We have received and are now using our small Tennant sanding machine. This allows us to get into alleys and spaces that we could not get to with our 12 inch machine. The floor maintenance program is moving along steadily and before too long our floors will show much improvement."

General Counsel Exhibit No. 18

DATE: April 30, 1955

TO:	Mr. George Asnip	Mr. Winston Garth
	Mr. J. M. Bailey	Mr. C. T. Holland
	Mr. George Baker	Mr. W. S. Manning
	Mr. Marion Beacham	Mr. Jos. A. Meehan
	Mr. D. I. Beal	Mr. J. J. Norton, Jr.
	Mr. Randolph Brandt, Jr.	Mr. J. M. Oeland
	Mr. S. J. Craig, Jr.	Mr. T. E. Peden
	Mr. Ernest DeFore	Mr. I. S. Pitts, Jr.
	Mr. R. C. Edwards	Mr. H. L. Pratt
	Mr. L. C. Ellis	Mr. G. G. Simmons
	Mr. J. A. Ferguson	Mr. F. A. Thompson
	Mr. L. J. Fisher, Jr.	Mr. W. E. Thrailkill

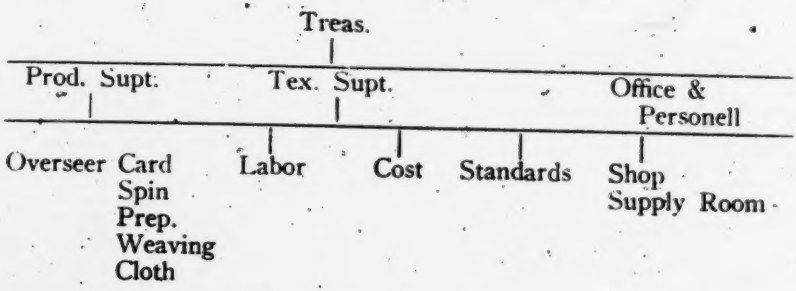
FROM: Roger Milliken

In attending mill achievement meetings in the past couple months, I have noticed that there are a great many different type of organizational setups in each of the mills, and I think some benefit can come from comparing the organization charts from our different operations.

Therefore I am writing this letter to ask you if you would please send to me your organizational setup. It will not be necessary for you to insert names into this chart, but merely to send the chart itself with the description of the title. Please do not take this chart down below the level of overseer.

General Counsel Exhibit N-17

[HANDWRITTEN]



cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit 19

DATE: April 30, 1955

TO: Mr. K. M. Lowry and Mr. R. B. Newton

FROM: Roger Milliken

All of the mills in Deering Milliken have made tremendous strides in the recent past on improving the quality, cost, and machinery maintenance in their yarn making departments. A large part of this progress has been caused by the great attention that has been focused on these problems at the meetings that we have had. Now that we have made these improvements in our yarn, it seems to me that an equally strong emphasis should be put on the weaving operation as to quality, efficiency, cost, loom maintenance, etc.

It seems to me that we are ready for an attack on these problems, and I am writing this letter to ask you to write to the treasurers and to me your recommendation as to how we can best start on such a program and what the full program should be.

cc: Mr. Randolph Brandt, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. Marshall C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit 20

DATE: April 30, 1955

TO: Mr. S. L. Smith

FROM: Roger Milliken

I think that we are probably far away from using the best modern practices of production control known to American industry in all of our mills, and I am writing this letter to ask you if you will please plan a meeting, and work it out with all treasurers who have production control problems to have their personnel attend a meeting, to discuss in a way you think best how our organization can adopt the most efficient and inexpensive plans of production control. It may be that such a meeting would take 2 or 3 days.

After you have had a chance to study this proposal, would you please write to me and to the treasurers your thoughts as to how best to carry out this idea.

cc: Mr. Randolph Brandt, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. Alan B. Sibley
Mr. W. A. L. Sibley
Mr. Marshall C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit N-21

DATE: April 30, 1955

To: Mr. Russell B. Newton

FROM: Roger Milliken

The most outstanding development at the Gainesville meeting was the node spinning ring that has been tried out at Gainesville and promises to give us substantial improvements in spinning speeds. It was decided at this meeting that each mill would immediately proceed with the installation of at least one frame of node rings which they would make in their own shops. We are doing this because we do not under the circumstances want to enlist an outside supplier to make these rings because it is not possible to patent this idea and we want to keep our competition out of it as long as possible.

Obviously there are going to be different designs developed by each mill, and I think it is extremely important that each mill have the benefit of the other mills' ideas, and so at the meeting I asked Frank Rowe if he would discuss with you how the Research Corporation could coordinate this program and be of the most help in getting it advanced at the fastest possible speed in all mills.

Because of the fact that this has worked successfully at Gainesville and also at Farnsworth where they have been using it for some time, it looks like it is something that could be adopted very, very fast by our organization, and

General Counsel Exhibit N-21

I hope that it will be possible for you to put a great deal of push behind it.

cc: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. Randolph Brandt, Jr.
Mr. S. J. Craig, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. L. C. Ellie
Mr. J. A. Ferguson
Mr. L. J. Fisher
Mr. Winston Garth
Mr. C. T. Holland
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone
Mr. W. B. D. Stroud
Mr. F. A. Thompson
Mr. W. E. Thrailkill

General Counsel Exhibit N-22

DATE: May 27, 1955

TO: Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley

FROM: Roger Milliken

The Institute of Textile Technology is planning to have a meeting in July at Atlanta, Clemson, and Charlotte to bring to the membership the results of the studies that they have made in the past year. They were going to have the meeting at Clemson on Wednesday with a meeting at Georgia Tech on Friday, and I had been hoping that we could work it out so that we could have a special meeting for Deering Milliken personnel alone on the intervening day, Thursday, so that our men could feel free to ask questions without divulging which way our interests may lie.

In trying to line this up with Toby Hance, he runs up against the problem that if he were to work out such a meeting for our group, he would be in a position where he would have to do the same for a lot of other groups which would be difficult for them to accomplish. He has written to me asking whether it wouldn't work out just as well for our mills to attend the regular meeting and then perhaps stay on over and all have dinner together at Clemson in a group and perhaps have an hour's session for questions and answers after the main meeting had adjourned.

I would appreciate it very much if you could let me have your thoughts on this. Actually this year the presenta-

tion will be devoted exclusively to the studies that the Institute has made into the fields of cotton yarn processing from opening through spinning and there will be no discussions on a lot of the research that they are going into on cyanoethylation and other fields which will not be of interest to mill overseers and assistant superintendents who will make up the large body of those attending these meetings.

Looking forward to hearing from you.

General Counsel Exhibit N-23

May 30, 1955

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

We have your letter regarding plans you are trying to complete on having a group from the D. M. mills meet with a group from I. T. T. to discuss questions we might have regarding the work of the Institute. We will be glad here at Darlington to work with you along any lines you suggest. We did attend this meeting last year at Charlotte in order to save time and mileage, and will make our plans to be at Clemson.

Very truly yours,

J. M. Oeland
Treasurer

General Counsel Exhibit N-24

DATE: August 25, 1955

TO: Mr. R. H. Bush
Mr. H. C. Byrd
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

FROM: Roger Milliken

At our wage discussion Tuesday it was brought out again that Springs was running at a higher front roll speed with less ends down than were our mills, and this brings up the point that we ought to have before us goals for each of the mills in the organization and target dates when these goals will be accomplished. It seems to me that the setting up of these goals and target dates is a proper discussion for our next treasurers meeting for which I would like to set the date of Tuesday, October 11th, at Drayton at 9 o'clock.

I am writing to ask you if you will please be prepared to present at that meeting what you think the specific goals of each mill should be and your specific recommendations as to how these goals may be accomplished. For us to get the most out of this meeting it is imperative, as stated above, that these goals be very specific and likewise your recommendations as to the methods by which they may be attained.

It is my hope that it may be possible for you to have an opportunity to talk over these goals with the mill treasurers prior to the meeting so that we will not be wasting too much time when we are all together but will spend most of our

time outlining what has been agreed upon and the date when the goals may be achieved.

cc: Mr. E. O. DeFore
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
✓ Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-25

DATE: December 12, 1955

TO: Mr. E. O. DeFore
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

cc: Mr. Russell Bush
Mr. Hal C. Byrd
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

FROM: Roger Milliken

At our last big meeting in October you will remember that the main subject discussed was the establishment of goals for the improvement of quality, speeds, and efficiency and the reduction of costs. At that time it was decided that we would meet again in January to hear a report from each and every mill on the progress they had made against their planned goals. In trying to set up a date, I find that there isn't one in January that is convenient to everybody and therefore we have settled on Monday, February 6th at 9 o'clock in the morning, at Drayton as the time and place for the next meeting.

In thinking about the best method in presenting this information, it seems that we would be well advised if each mill would use charts to report on their progress. Having had some experience with charts at sales meetings in New York, it appears that the most effective presentation can be made and the most time saved if the charts are all made the same way so that it isn't necessary for the listeners to orient themselves every time a new chart goes up. To this end I have talked with Alan Sibley and he has offered to work out the best form with Ken Lowry, and then if you will plan to get in touch with Ken Lowry he will pass this information on to you so that we can all be reporting together.

General Counsel Exhibit N-25

Because each mill will be making a report it will be necessary to confine each presentation to not more than 10 minutes, and in this connection we will ask somebody to ring a bell at the end of 10 minutes so that it will be impossible for anybody to go over his allotted time.

The points that should be covered in the presentation by each mill would seem to be the following:

1. Progress on expense reduction (this would report the full goal saving as reported in October; how much it was planned to take out by the January meeting and how much was taken out; and what the plan is for reduction in the next 3-month period.)
2. The number of jobs on the payroll in October; in January; and projected to April; and the number of persons on the payroll in October, January, and April.
3. A discussion of other goals and progress towards them such as spinning speeds, loom speeds, etc.
4. Report on the mill standing by the mill's demerits by department in machinery inspection reports and their relative standing.
5. The mill's percentage of total waste and their standing on waste.
6. The number of hours worked without a lost time accident.
7. The status of a preventative maintenance setup in each department.
8. A report on any improvements and new machinery improvements which have been helpful and could be helpful to others.

General Counsel Exhibit N-25

9. What has been done to improve local public relations.
10. What do you want from the Service Departments.

This seems like a lot of information to cover in 10 minutes, but from talking with Alan, I think it is going to be possible for us to get about 50 per cent of this information onto a chart which will make it possible to cover that amount in a very short time and leave the balance of the time for covering the other subjects.

General Counsel Exhibit N-26

DATE: December 17, 1955

TO: Mr. A. J. May

FROM: Roger Milliken

Every quarter from now on we are planning to hold a meeting of all of our mills at which each one of them will make a presentation to the group of what they have accomplished in the way of cost improvement, increased efficiencies, etc., during the previous 3 months. The first of these meetings is going to be held at Drayton at 9 o'clock Monday morning, February 6th.

I hope very much that you can work out your plans so that you can attend this meeting. So many of the policies of the whole company are developed at meetings like this that I think it would be extremely valuable if you could plan to be present and thus know of all the things that are being done to make the manufacturing of Deering Milliken as outstanding as possible. I also feel sure that by being present at these meetings you will think of things that we can all do that will further help to improve the company.

I am sorry that this meeting falls on a Monday, as it is not normally our practice to hold these meetings on that day, but this was the only time that everybody involved could get together without conflicting engagements. As it is, we have postponed the meeting by 2 weeks so as to include everybody.

cc: Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. W. A. L. Sibley

General Counsel Exhibit 27

DATE: April 3, 1956
(Dictated April 2nd)

TO: Mr. C. E. Anderson
Mr. George Asnip
Mr. J. M. Bailey
Mr. D. I. Beal
Mr. S. J. Craig, Jr.
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. J. A. Meehan
Mr. W. H. Moore
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. B. Risher
Mr. F. A. Thompson
Mr. W. E. Thrailkill
Mr. M. G. Wallace
Mr. G. G. Simmons

FROM: Roger Milliken

I have just read the minutes of the recent meeting on warp preparation which was held at Gaffney on the first of February, and I am writing to say that I hope that each mill that sends a person to these central meetings asks that person to make a written recommendation when he returns as to what your particular mill should do as a result of what he has learned at this meeting.

As I read through this report, it is evident that a great many different things are being done at the different mills, and I am urging that the above procedure (if you are not already using it) be followed in order to be sure that we don't lose all of the advantages that we can get out of such a meeting.

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-28

DATE: May 22, 1956

TO:

Mr. C. E. Anderson	Mr. W. S. Manning
Mr. George Asnip	Mr. J. A. Meehan
Mr. J. M. Bailey	Mr. Wm. H. Moore,
Mr. D. I. Beal	Mr. J. J. Norton, Jr.
Mr. S. J. Craig, Jr.	Mr. J. M. Oeland
Mr. E. O. DeFore	Mr. T. E. Peden
Mr. R. C. Edwards	Mr. I. S. Pitts, Jr.
Mr. L. C. Ellis	Mr. H. L. Pratt
Mr. J. A. Ferguson	Mr. H. B. Risher
Mr. L. J. Fisher, Jr.	Mr. G. G. Simmons
Mr. Winston Garth	Mr. F. A. Thompson
Mr. C. T. Holland	Mr. W. E. Thrailkill
Mr. J. M. Jackson	Mr. M. G. Wallace

FROM: Roger Milliken

I have just been talking with Bill Sibley who has been developing, along with Harry Defore's department, a quality control program for his mills. As I believe you know, Harry Defore has been concentrating a lot of his time at Monarch to help get this program developed and the bugs ironed out so that it will be possible for other mills to adopt it rapidly. I am going to ask Bill Sibley to arrange for a description of this quality control program at our next Treasurers meeting, and I feel certain that all of you will be as enthusiastic about what it can do for us as you were about the Sterling Smith Cost System which Jack Fisher worked out at Gerrish Milliken.

To get such a program going in your mill will, of course, require personnel, and I am writing this letter at this time so that you may be laying the groundwork to see that you have personnel available to get such a program going, and beginning with the October meeting, Harry Defore will

make a report on the progress that each mill has made in setting up a qualified program.

cc: Mr. R. H. Bush
Mr. H. C. Byrd
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. Sterling L. Smith
Mr. T. D. Truluck
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-29

DATE: November 10, 1955

To: Mr. J. M. Oeland

FROM: Roger Milliken

I was looking over the safety contest figures for the last six months and was disappointed in Darlington's showing with eighteen lost time accidents. Actually this amounts to over 25 per cent of all the lost time accidents in the Deering Milliken group.

It makes me wonder whether you have a sufficiently well organized safety campaign, and if not, I hope that with your new setup you will have an opportunity to do this so that you may be among the leaders in the future.

General Counsel Exhibit N-30

DATE: May 16, 1955
(Dictated May 14th)

TO: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. S. J. Craig, Jr.
Mr. Ernest DeFore
Mr. Randolph Brandt, Jr.
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. C. T. Holland
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. Risher
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

FLASH!!!

Monarch Mills, Monarch Plant, becomes the first cotton mill in the Deering Milliken organization to have all of their weave rooms running at 72 per cent relative humidity. Congratulations Lewis Ellis!

(An interesting by-product of the drives to reduce our humidities is the fact that one of the mills which is expanding their production capacity had thought that they would

need to buy a new air compressor, and after lowering their humidity in the weave rooms, this mill has found that they have excess compressor capacity and will not have to spend the extra money to buy another one.)

Air is a very expensive thing, and I think that in addition to giving us better weaving rooms, I think it will also give us reduced costs.

cc: Mr. H. C. Byrd
Mr. H. Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit N-31

DATE: January 14, 1955

TO: Mr. R. B. Newton

FROM: Roger Milliken

Apropos of Mr. Roy Rochester's idea which may be patentable, I want to ask whether all mills have now adopted the policy of having all of their supervision sign a patent agreement with the company. This was put in the works some time ago, but I have not heard whether it was brought to a conclusion and I think it is in order to check and see whether the mills are following this procedure and are getting such agreements from all new personnel coming into management ranks.

Could you please check with all of the mill treasurers on this for me.

cc: Mr. Randolph Brandt, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. Alan B. Sibley
Mr. W. A. L. Sibley
Mr. Marshall Stone
Mr. W. B. D. Stroud

General Counsel Exhibit N-32

DATE: February 22, 1955

TO: Mr. George Asnip
Mr. R. C. Edwards
Mr. J. M. Oeland
Mr. A. B. Sibley
Mr. W. B. D. Stroud

FROM: Roger Milliken

Dr. Armitage has received a letter from Basil Hill who is now associated with the Mooresville Mills. Hill was very interested in finding out whether they could become a licensee under the Research Corporation to use the slub inserter which we have had available for some time. He believes that apparently it holds terrific promise for Mooresville.

This enthusiasm on his part makes me wonder if we have done everything possible to exploit the possibilities of this development, and I am writing this letter to ask you again to think about it to see whether we could use it to advantage.

cc: Dr. N. C. Armitage

General Counsel Exhibit N-33

DATE: February 24, 1955

TO: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. S. J. Craig
Mr. E. DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. E. H. Hines, Jr.
Mr. C. T. Holland
Mr. W. S. Manning
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

From what I read in the paper, the problem of water conservation is going to become a matter of greater and greater importance each year and in talking with Russell Bush the other day, I asked him if he would talk with each of you as to ways and means of our getting our consumption of water measured so that it will be possible for each of you to work towards the reduction of your use of water.

I am writing this letter to ask you to please give some serious thought as to how you can measure your consumption and activate a program to reduce your consumption of water much as we now have programs to reduce our production of waste.

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Counsel Exhibit N-34

DATE: February 28, 1955

TO: Mr. T. D. Truluck

FROM: Roger Milliken

Dear Tru:

I was delighted to receive your recommendation on Friday as to your thinking on the best way to set up the operation so that it would be possible for us to have an independent agency to recommend the qualities desired in our cotton and to check to see that the cotton purchased lived up to the requirements as decided upon by the mill treasurer.

I just received your letter covering that which we discussed on Friday. There is just one thing in this letter which was not covered and which we discussed and which I wanted to be sure was understood, and that is that as we visualize it, it would be the function and responsibility of Harry Defore's group, working closely with you, to set up the requirements and control limits of each qualification that he believes will make for the best quality and the most efficient cost for the particular yarn a mill is making; that he will present these recommendations to the mill treasurer who will have to weigh how near it is practical to live up to these requirements taking into consideration the possible additional costs you would have to pay to get them.

It would then be the function of the treasurer to advise you what he wanted purchased, which orders you would then proceed to execute for him.

Following that, it would be the plan to set up a recheck wherein some kind of sampling arrangement would be made for the mill to send Harry Defore's department sufficient

samples for analyses so that he could see how the cotton delivered compared with the qualities purchased.

I was delighted that you and Harry plan to use all laboratories that will be involved in this operation jointly so that this new set up will involve a minimum of additional cost.

The whole organization is greatly indebted to you for having had the vision to bring our cotton purchasing up to its present state, which I believe has put us way in the forefront of the industry, and I think that this new recommendation will make it possible for us to proceed even further to everybody's benefit.

I was very glad to have been able to sit in on the meeting at which you addressed the A. M. C. buyers Friday, and I can now understand why all of our customers whom our salesmen have brought down have always considered their visit to your department one of the highlights of their visit South.

cc: Mr. Randolph Brandt, Jr.
Mr. Harry Defore
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-35

[Letterhead of]

DARLINGTON MANUFACTURING COMPANY
DARLINGTON, SOUTH CAROLINA

May 9, 1955

Mr. Roger Milliken
234 Fairview Avenue
Spartanburg, S. C.

Subject: Buying, Classing and Laboratory Offices for Cotton Department.

Dear Mr. Milliken:

I have given some thought to your suggestion that we write you about our recommendations for purchases of cotton this fall. I do not feel that I have come up with any solution to this problem that would be helpful. I do have a definite opinion in that we should make our plans flexible enough to take advantage of the opportunities that may be presented in the growing of each year's crop. For instance, here at Darlington in the last several years, we have experienced at least one year where we felt, everything considered, the eastern growth of cotton supplied our needs at a better price. On another year we purchased some beautiful cotton from the Rio Grande valley. Memphis Territory cotton has on the whole, except for this year, proved more or less satisfactory. We all agree that for certain running characteristics it is well for us to have a supply of California cotton. With the uncertainty of the weather and growing conditions for this year, I would rather hesitate to set up a fast rule that we

General Counsel Exhibit N-35

will buy only California cotton. With an outfit as big as Deering Milliken, if this information should get to the trade, it is my feeling that we would have to pay a premium for the California growth.

I would like to say that I feel that our present setup of having Harry DeFore analyze the running characteristics of the cotton we are purchasing has great possibilities for each of our mills. This is no reflection on what has happened in the past but rather that I feel we are moving into a new field of manufacturing and testing where Harry can guide us along the best paths for production and efficiency. I further feel that it is not without the realm of possibility that we can get cotton satisfactory for our running at a better basis if we will utilize to the fullest advantage the information and testing procedures that we presently have. As Mr. Truluck and Harry work together on this program I feel certain that many advantages will unfold for a closer cooperation between them and the mills in question.

As stated at the beginning of this letter, I do not feel that I have any helpful suggestions, but felt I would like to follow up on your suggestion that we write you our opinion with regard to this matter.

Yours very truly,

J. M. OELAND
J. M. Oeland
Treasurer

General Counsel Exhibit N-36

DATE: March 8, 1955

TO:

Mr. George Asnip	Mr. I. S. Pitts, Jr.
Mr. J. M. Bailey	Mr. A. B. Sibley
Mr. Randolph Brandt, Jr.	Mr. W. A. L. Sibley
Mr. J. J. Norton, Jr.	Mr. G. G. Simmons
✓ Mr. J. M. Oeland	Mr. M. C. Stone

FROM: Roger Milliken

I am sure that you have recently received a copy of Mr. Jackson's report to Mr. Norton on his trip to Springs Mill, where they went particularly to study their slashing operation. During their visit they found "All starch shipments were being checked for moisture, the allowable moisture in corn starch being 12 per cent. When the check was first started, it was found that some shipments had as low as 11 per cent and as high as 16 per cent and that now all shipments average just under 12 per cent. This saving in starch is the big saving they commented upon as having paid for the laboratory. The method of checking is to open 10 bags of starch per car, and from the center of each bag to take a small amount of starch, blending them all together and then checking the blend for moisture."

I am writing this letter to emphasize this paragraph and to wonder whether you are not going to want to set up a similar test to be sure that we are not paying the starch companies for water.

cc: Mr. Harry Defore
Mr. R. B. Newton

General Counsel Exhibit N-38

DATE: March 15, 1955

TO: Mr. Harry Defore
Mr. A. J. Dillard, Jr.
Mr. J. J. Norton, Jr.
✓ Mr. J. M. Oeland
Mr. W. A. L. Sibley
Mr. S. L. Smith
Mr. M. C. Stone

FROM: Roger Milliken

I was tremendously interested in Sterling Smith's report to Bill Sibley on the subject of the examination of 80x80 finished at Cranston from greige cloth made up of Monarch, Darlington, Borden, Durst, and Alice goods. The results are certainly startling and shows that there is a lot that it is important for us to learn if we are to make the goods that will make the finest finished piece of goods.

I am writing this letter to say that I hope that it will be possible to accelerate the making of further tests of this kind and the factual analysis of what accounts for the difference so that we may proceed to bring our goods up to the quality of our competitors.

General Counsel Exhibit N-39

DATE: March 15, 1955

TO:

Mr. George Asnip	Mr. Winston Garth
Mr. J. M. Bailey	Mr. E. H. Hines, Jr.
Mr. George Baker	Mr. C. T. Holland
Mr. Marion Beacham	Mr. W. S. Manning
Mr. D. I. Beal	Mr. Jos. A. Meehan
Mr. Randolph Brandt, Jr.	Mr. J. J. Norton, Jr.
Mr. S. J. Craig, Jr.	✓ Mr. J. M. Oeland
Mr. Ernest DeFore	Mr. I. S. Pitts, Jr.
Mr. R. C. Edwards	Mr. H. L. Pratt
Mr. L. C. Ellis	Mr. G. G. Simmons
Mr. J. A. Ferguson	Mr. F. A. Thompson
Mr. L. J. Fisher	Mr. W. E. Thrailkill

FROM: Roger Milliken

Sterling Smith has just sent me a copy of a small article from BUSINESS WEEK which pictures a piece of machinery in a plant on which has been stenciled the following:

REPLACEMENT
COST
$22,000.00
DO-NOT-ABUSE

The company (Clark Equipment Co.) has reduced breakage expenses by 20 per cent at its Battle Creek, Michigan, plant as a result of price tagging all of its production equipment. They found that the workers were more careful when they were reminded visually of the cost of the machines they were working with.

It seems to me this is a splendid idea that would cost very little to install in our mills because it would obviously not be necessary to put a price tag on all of our machinery.

General Counsel Exhibit N-39

but for instance, we could put it on the head ends of each line of spinning frames. Thus where we had a loom assignment of 100 looms to a weaver and the replacement cost of the looms was listed at $1,000, a weaver would quickly get the idea that he was responsible for $100,000 worth of equipment. Not only should this work towards reducing the breakage on machinery but it should also tend to get the story over on how much we had to put into capital assets to provide each worker with a job.

R. M.

e.

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud

General Council Exhibit N-40

DATE: March 30, 1955

TO:
Mr. J. C. Arnold
Mr. J. Frank Richie
~~Mr. Geo. Z. Dunn~~
Mr. W. S. Hawkins
Mr. Carroll Hester
Mr. C. F. Hughes
Mr. Jack Jefford
Mr. S. V. Parris
Mr. B. C. Moore
Mr. Thomas Wilson
Mr. G. C. Lindsay
Mr. U. C. Crenshaw
Mr. Geo. Rankin
Mr. A. T. Wilbanks
Mr. M. S. Christman
Mr. T. E. Peterson
Mr. L. H. Good
Mr. J. A. Garner
Mr. Paul Poston
Mr. Esco Allen
Mr. D. R. Aichner
Mr. C. Moore
Mr. Raymond Owings
Mr. F. A. Preston
Mr. J. D. Allen

FROM: Roger Milliken

Under date of December 6, 1954, Harry Defore sent out a letter advising on the importance of all of us using the 10-foot sensitive length when using the Brush Uniformity Analyzer. I have been after Harry recently because there have been a number of instances where I have learned that mills are not doing their testing on this basis but on some other basis that tends to distort the comparison from mill to mill.

I am therefore writing this letter to ask you to please check your procedures of testing not only on the Brush but also on all of your instruments to see whether you are conforming with the recommendation of Harry Defore's department. If upon checking you feel that it is wrong to conform, would you please write me a letter with a copy to Harry Defore as to why you think your method is better and then we can decide whether it should be adpoted for the whole organization. In the absence of receiving a letter from you, I will assume that you

have been or will immediately start to conform with the standard procedure as set up by his department.

cc: Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. J. J. Norton
Mr. I. S. Pitts
Mr. J. M. Oeland
Mr. A. B. Sibley
Mr. R. Brandt, Jr.
Mr. G. Asnip
Mr. R. C. Edwards
Mr. E. H. Hines
Mr. W. B. D. Stroud
Mr. G. G. Simmons
Mr. J. M. Bailey
Mr. L. C. Ellis
Mr. H. L. Pratt
Mr. W. E. Broadwell
Mr. J. A. Ferguson
Mr. J. M. Jackson
Mr. T. C. Jolly
Mr. D. R. Arrowood
Mr. W. H. Stallworth
Mr. H. F. Staples
Mr. C. T. Holland
Mr. Geo. Baker
Mr. W. F. Garth
Mr. M. G. Wallace
Mr. A. G. New
Mr. Wm. Fiske
Mr. Roger Milliken
Mr. T. D. Truluck
Mr. Harry Defore
Mr. R. A. Arbuckle

General Counsel Exhibit N-42

May 12, 1955

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

We have a copy of your letter to Harry DeFore suggesting that testing procedures be established to get the maximum usefulness out of our imperfection counters. I passed this letter on to Mr. Hawkins and he has made the following comment:

> "Pending other advice, we have correlated imperfection count with neps on yarn blackboards and will test neps/1500 feet of yarn for weekly reporting."

We are very anxious to utilize this machine to the best advantage. Because of the availability of Memphis cotton we are going more and more on irrigated and are very anxious to see to what extent this affects the quality of our yarn. We will be glad to work with Mr. DeFore as to his suggestions and over all program for the cotton mills.

Very truly yours,

J. M. OELAND,
Treasurer

jmb—m
cc: Mr. Harry DeFore
Mr. W. S. Hawkins

General Counsel Exhibit N-43

Date: April 30, 1955

To: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. Randolph Brandt, Jr.
Mr. S. J. Craig, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. C. T. Holland
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

In attending mill meetings in recent months, I have been tremendously impressed with the development jobs that have been performed by either the technical service departments or the plant engineers that were originally placed out on loan by the Research Corporation to the mills.

Now that we have so many new areas of study which we want to investigate in our manufacturing operations, I am writing to ask you whether you couldn't find very good use in your organization for a trained engineer provided they could be located by the Research Corporation. It seems to me that in almost every instance where we have had such an engineer working, they have many times paid for their salary or they have been incorporated into the actual management of your operation with very desirable results.

Could I please have your comments on this?

R.M.

cc: Mr. R. B. Newton
Mr. A. B. Sibley
Mr. M. C. Stone
Mr. W. B. D. Stroud
Mr. W. A. L. Sibley

General Counsel Exhibit N-44

May 12, 1955

Mr. Roger Milliken
234 S. Fairview Ave.
Spartanburg, S. C.

Dear Mr. Milliken:

I have discussed your letter regarding a resident engineer similar to the arrangement with Research Corporation when Ray Teher was with us, with our technical and production superintendents.

The first question, of course, that arises in our minds is whether we can justify this additional expense. There is no doubt in my mind that such an arrangement would be very helpful, but we are at a disadvantage if some of the other mills get good results without the expense of an extra salaried man. I have found out that several things you have suggested to us that I questioned at first have proved of such value that I am willing to be guided by your advice in the matter.

In discussing the matter here we are wondering if a man like Mr. Robinette who is presently with Mr. Bush's department would be the type that we would desire. We have been very much impressed by his practical approach to problems as he has made visits here through our plant.

The fact that he has had technical college training and experience with Cayley seems to stand him in good stead when we ask for advice on practical approaches to our technical problems. It is our feeling that we could get more out of a man of this type than we could by getting an engineer like

Ray Teher with no mill experience. I do not want to intimate that Ray's experience was not very helpful to us. His practical experience working with Mainer brought in a lot of ideas that were valuable to us and Research. It did take him a good while to get started with us while we feel that a man like Mr. Robinette could immediately help solve some of our engineering problems.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. W. S. Hawkins

General Counsel Exhibit N-45

DATE: May 13, 1955

TO: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. Randolph Brandt, Jr.
Mr. S. J. Craig, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. C.T. Holland
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

Recently Tom Watson of Judson made a talk before the Maintenance Engineers at a convention in Chicago and because of questions directed to him from the floor after his talk, disclosed a great deal of what we are doing on machinery maintenance which subsequently got printed in one of the textile magazines.

This release of information can only help our competitors and therefore hurt us and I am writing this letter to say that we should and must adopt a policy whereby we close up any possibility of information on things that we are doing getting to our competitors either at a technical meeting or by articles in the trade journals.

I am writing this letter to personally ask you to see to it that this policy is made clear to any and all members of your organization who may be attending trade meetings.

R.M.

General Counsel Exhibit N-45

[HANDWRITTEN]

Bill Hawkins
Bill Stalworth

We will have to keep this in mind if we send anyone in our organization to any type meeting where they may enter into a discussion. This of course outside D.M. groups.

JMO

cc: Mr. H. C. Byrd
Mr. Russell Bush
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. Newton
Mr. A. B. Sibley
Mr. W. A. I. Sibley
Mr. S. L. Smith
Mr. M. C. Stone
Mr. W. B. D. Stroud
Mr. T. D. Truluck

General Counsel Exhibit N-46

DATE: September 15, 1955

TO:

Mr. George Asnip	Mr. C. T. Holland
Mr. J. M. Bailey	Mr. Jesse M. Jackson
Mr. George Baker	Mr. W. S. Manning
Mr. Marion Beacham	Mr. Jos. A. Meehan
Mr. D. I. Beal	Mr. J. J. Norton, Jr.
Mr. S. J. Craig, Jr.	Mr. J. M. Oeland
Mr. Ernest DeFore	Mr. T. E. Peden
Mr. R. C. Edwards	Mr. I. S. Pitts, Jr.
Mr. L. C. Ellis	Mr. H. L. Pratt
Mr. J. A. Ferguson	Mr. H. B. Risher
Mr. L. J. Fisher, Jr.	Mr G. G. Simmons
Mr. Winston Garth	Mr. F. A. Thompson
	Mr. W. E. Thrailkill

FROM: Roger Milliken

I am very anxious to make a spot check on the total number of people who are on your payroll the week ending September 17th, and then another figure as to how many people got less than 40 hours of work. If you do have a breakdown on this figure as to why they got less than 40 hours, I would appreciate your working this into the statistics.

[HANDWRITTEN]

Number making 40 hours and over
" " less than 40 hours
" on payroll or leave
Total on payroll

Number less than 40

Lost time sick & personal	S-F-P-
" " send out	H & L
" " asked "	E
" " day of rest	N

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit 47

DATE: September 23, 1955

TO: Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. Marion Beacham
Mr. D. I. Beal
Mr. S. J. Craig, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth.
Mr. C. T. Holland
Mr. Jesse M. Jackson
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. B. Risher
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thraikill

FROM: Roger Milliken

This is the time of year when Community Chest and other organizations put pressure on us to permit payroll deduction plans in the mills, and I recently learned that one of our mills did not thoroughly understand what our policy was and therefore I am writing this letter to make certain that it is thoroughly understood.

This matter has been discussed several times and it was decided that it would be policy not to permit payroll deductions of any kind because of conviction that it is the right of the employee to do what he wishes with his money and that too much pressure can be brought to bear by overseers, second hands, and others when plant wide campaigns are on.

I am writing this letter to ask that you please observe this policy that we do not make any deductions except those that are mandatory by law.

cc: Mr. A. D. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-49

DATE: December 12, 1955

TO: Mr. R. L. Collett
Mr. E. F. Flanigan
Mr. C. W. Kable, Jr.

FROM: Roger Milliken

It has come to my attention that in one recent instance one of the mills was accruing less for depreciation on certain items than it is possible for us to do under the regulations.

Because getting the maximum depreciation charge is of enormous importance to our business if we are to provide the funds to keep modernized, I am writing this letter to ask you as a committee of three, with Charlie Kable as chairman, to make an immediate study of our situation in all mills with the objective of setting up procedures that will insure the attainment of the following objectives:

1. That we get as charge-offs against current expenses all those items that can be so charged.

2. That we set up the maximum depreciation possible on each item purchased.

As it is now, each mill shows a different procedure on this and it is my hope that as a result of your joint study it will be possible to work out a uniform procedure that will accomplish the above goals.

I am sending a copy of this letter to all of the treasurers

so they may know of this program and will be prepared to discuss this with you as your study proceeds.

cc:
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-50

DATE: December 16, 1955

TO: Mr. J. J. Norton, Jr.

FROM: Roger Milliken

I was talking with Colonel Springs on the telephone this morning, and our discussion got into loom let-off motions. He told me that they had worked out a very excellent let-off motion for Model E looms.

Because of the exchange of information that you have had with Springs recently and your great interest in weaving, I thought you would want to investigate this immediately to see if there were anything of value that they had. If you do find out something of interest, could you please plan to pass it on to our other mills.

cc:
Mr. H. C. Byrd
Mr. K. M. Lowry
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-51

DATE: December 21, 1955

TO:

Mr. George Asnip
Mr. J. M. Bailey
Mr. George Baker
Mr. D. I. Beal
Mr. S. J. Craig, Jr.
Mr. Ernest DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. Winston Garth
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. Y. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. B. Risher
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

I visited several competitive mills in the last 2 or 3 weeks and find that they are considerably behind us in the matter of spinning speeds. I think in this field we have an advantage over our competition that means a lot, and I am writing this letter to suggest that we keep this information as to what we are doing on our speeds as quiet as possible: May I suggest that whenever we have visitors from other mills going through that we do our best to keep off this subject of spinning speeds.

cc: Mr. Harry Defore
Mr. K. M. Lowry
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-52

DATE: December 17, 1955

TO: Mr. R. H. Bush
Mr. H. C. Byrd
Mr. Harry Defore
Mr. K. M. Lowry
Mr. S. L. Smith
Mr. T. D. Truluck

FROM: Roger Milliken

Hal Byrd has recently instituted a program of trying to find out as much competitive information as possible from suppliers about what is going on in the industry and what is new, and is then bulletining this information to members of the organization.

Several of the mill managers have expressed enthusiasm for getting information this way, and I am writing to you to ask that you please plan to do something similar. One of the big problems of an organization like ours is that of getting as much information as possible and communicating it to all interested parties. Each of you is in contact with individual mills in our group and with other mills, and if you could please make a note to at least once a month write to all of the mills giving them any information that you have picked up either in our own mills or elsewhere that you think would be helpful to them, it would be extremely helpful to all

Could you please see that I get copies of these letters, as I am very anxious to follow new developments.

RM

e.

cc:

Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-53

DATE: December 23, 1955

TO: Mr. George Asnip
Mr. J. M. Bailey
Mr. D. I. Beal
Mr. S. J. Craig, Jr.
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. L. C. Ellis
Mr. J. A. Ferguson
Mr. L. J. Fisher, Jr.
Mr. W. Garth
Mr. C. T. Holland
Mr. J. M. Jackson
Mr. W. S. Manning
Mr. Jos. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. T. E. Peden
Mr. I. S. Pitts, Jr.
Mr. H. L. Pratt
Mr. H. B. Risher
Mr. G. G. Simmons
Mr. F. A. Thompson
Mr. W. E. Thrailkill

FROM: Roger Milliken

SUBJECT: Visit to West Point

cc: Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone
Mr. R. H. Bush
Mr. H. C. Byrd
Mr. Harry Defore
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. S. L. Smith
Mr. T. D. Truluck

Monday and Tuesday of this week Marshall Stone and I visited at the West Point Manufacturing Company, and the following will list some of the things which we saw which may be of interest to you:

1. In a new plant that we visited that was devoted to the making of their non-woven fabric, which plant is surrounded by a fence and gates because they are very anxious

to preserve secrecy, they are planning to use a television camera which would be placed at the gates which would throw an image in the office during the daytime and in the boiler house at night. This would make it possible to operate by remote control the opening of the gates for properly accredited people and vehicles which presented themselves at the gate and would thus remove the necessity of having a watchman. They reported that the initial cost of such an installation would be $3,500 for equipment and approximately $500 a year operating expense for electricity and maintenance of the equipment.

It seems to me that any mills having watchmen would be well advised to consider this possibility and by a copy of this report, I want to ask Research to familiarize themselves with the equipment that Mr. Fred Struther down at the West Point laboratory is planning to use so that any person having to find out about it can contact Research and get full information. May I also ask each of you and Research to do some real thinking on how we can adapt this idea of television to our operations. West Point have men in front of and in back of some of their slashers, and they plan to investigate the adoption of this idea to the slasher so that they could eliminate the back men and thus cut their costs tremendously. There must be places where intelligent thinking on our part would find uses for this new industrial tool. Perhaps this would make it possible for us to eliminate boiler attendants by making it possible to read instruments on the boiler in the machine shop or elsewhere. Please think about this and let Research have any ideas that you come up with.

2. In this plant, where they were striving for terribly even feed on the card that prepares their non-woven fibers, they

had Dodenhoff hoppers with weigh boxes in tandem. They had an electric eye two-thirds of the way up the hopper on the second machine which, started and stopped the first hopper with weigh box. In this way they kept the level even and eliminated the variation in delivery to the second weigh box, which is caused by differences in pickup by the apron when a hopper is loaded as against when it is almost empty. I don't know how much this would help some of our operations, but it is certainly worthy of consideration. In this connection, they like the Dodenhoff hopper with the weigh box better than Proctor & Schwartz or anybody else.

3. Here again, as at the two mills I visited last week, they are using 40" beams at their warpers and feel that they are getting a very good saving from their use. In their spooling and warping room they had at the back of each warper creel and at the empty bobbin delivery end of the spooler a mounted spindle run by a ¼ h.p. motor which they would turn on by a switch and which was used to pull bad yarn off of tangled cheeses. Their 30" beams were wooden Allen beam heads as contrasted with metal heads that I saw at Joanna and Enoree. By copy of this letter, could I please ask Purchasing to check with suppliers and find out the manufacturers' claim for the relative advantages of wooden heads over metal heads and vice versa.

4. They were rewinding their filling for 500 looms on Abbott quillers and figure they break even in cost on any yarn numbers of 12's and under. They are using a quill which they have cut back somewhat at the butt and they stated that they got 40 percent more yarn from this quill and rewinding

than on the direct spun filling. Here again, as at Enoree, they were feeding the quilling machine hoppers by conveyor direct from quill stripper which was located in the same room. We seem to be behind in the use of conveyor equipment from quill strippers to spinning room or hoppers in rewinding. Will every mill please investigate savings here.

Where they had two Abbotts they had located them with the feed hopper at opposite ends as we do but had recently moved the activating mechanism up to the middle of the frames so that the working areas would be always opposite each other, thus saving operators walking time.

They also had worked out a little metal mechanism in which a metal head moved down every time a bobbin was doffed and served to help any quill that got stuck to doff and not stop the machine. If the quill had doffed properly, this hammerhead hit the air and no other moving part.

They also had installed on the top of the machine a link belt conveyor to which were attached approximately 40 upright pieces of metal 2 or 3 inches in diameter and 6 inches high which rotated at the same speed as the winding heads and on which were placed at the end of the machine two full cheeses of yarn. They claimed that this made it a lot easier to creel up this machine, and which resulted in a saving. They said they had stolen this idea from Greenwood Mills which has had it in use for some time. They said that Abbott knew about this but weren't willing to put it onto the machine. From the way it was operating, I would certainly recommend that all mills with an Abbott investigate.

5. On their spinning this mill had a complete installation of underframe cleaners but old type overhead cleaning. They said that they preferred these cleaners to the Octopus

cleaners which they claim their spinners and doffers disliked very much. They felt that the installation of the underframe cleaners gave them 24 hours extra life on their travellers. Have we investigated if we get longer traveller life since installing Octopus cleaners?

Colonel Springs, as I remember, prefers the Octopus type cleaners to underframe cleaners, for which he has no use.

6. Their slasher room was completely equipped with the West Point type of creel which is the same as the one they have at Joanna and Enoree (it looks like we are behind on this development and I hope that Purchasing is working out a way for making a real study of how we can buy creels of this type, should the mills so desire, at a bargain rate.) They also are installing double size boxes and say they have observed greatly reduced shedding in their weave room as a result and hence a noticeable pickup in efficiency.

7. They permitted smoking in all of their mills and had set aside small areas for this. I know that some of our mills have done the same and others still permit smoking only in the wash rooms. It is my understanding that a couple of our mills have set it up whereby they have set aside a place big enough for only one man or woman to sit and smoke. May I suggest for your consideration that this is infinitely superior to letting people congregate and smoke in the wash rooms where they are not under observance of supervision, and by setting up space for only one person, people do not spend as much time smoking and talking as when the space is large enough to accommodate 2 or 3.

8. They had just installed dispensing machines for dispensing milk and had found that there was a terrific de-

mand for this product. Interestingly enough, they reported that the sales of Coca-cola, which average 9 bottles per person per week. did not go down as a result of the installation of the milk machines. They reported that the people drank the milk for nourishment and the Coca-cola for the "Pause that refreshes".

9. At the Research Department we were exposed to a new shuttle that Watson and Williams is making and distributing which is made out of West Point non-woven Latuck. The advantage claimed for this shuttle was that it had self-healing features which gave it a considerably longer life and also did not create the bad work that a wooden shuttle can make when it splinters. It is my understanding that this shuttle will sell for twice the price of a Dogwood shuttle but is claimed to last 5 times as long. Marshall Stone liked it and the idea very much. Will the Purchasing Department please check the full story on this shuttle and mail to all mills where it can be used.

General Counsel Exhibit N-54

DATE: December 30, 1955

TO: Mr. Russell B. Newton

FROM: Roger Milliken

I have been disturbed to learn that on some of the new machinery that we have been receiving recently deficiencies have developed due to our not following the recommended procedures. We have been buying and will be buying so much new machinery that I think it is of paramount importance that we as an organization set up some procedure whereby this new machinery will be inspected very soon after installation so that things like this cannot happen again.

I am writing this letter to you with copies to all of the mills with the request that you get in touch with them and work out jointly a procedure that you all feel should be followed so that we do have the maximum protection against making mistakes of this nature in the future. Could you please plan to present the conclusions and recommendations you have arrived at after consulting with the mills at the February 6th meeting that we are planning to have. With the millions of dollars that we are investing in new machinery, this is a very important project.

General Counsel Exhibit N-55

DATE: January 12, 1956
(Dictated January 11th)

TO: Mr. J. A. Meehan
Mr. J. J. Norton
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

FROM: Roger Milliken

I have just been reviewing with Ken Lowry and Hal Byrd the overall requests for capital expenditure that have come in with the idea of seeing what can be done in terms of group purchasing, etc. As a result of this discussion they have agreed to present to our meeting on February 6th their conclusions and recommendations on different items that are under consideration by a number of mills. Some of the recommendations that they will want to make will be confidential.

Because our agenda for the 6th is already so long, I am going to suggest that the treasurers get together the morning of the following day as a group to make final decisions on firming up our purchases of new machinery so that the Purchasing Department can then proceed to place the orders to best advantage. I am writing this letter, therefore, to ask you to please put on your schedule that we will meet at 9 o'clock the morning of the 7th. I am sure that there will also be other things coming up in Monday's meeting that we will want to discuss in a smaller group than the one that is assembled on Monday.

cc: Mr. H. C. Byrd
Mr. K. M. Lowry

General Counsel Exhibit N-56

DATE: March 30, 1956

FROM: Roger Milliken

Mr. Ross of the Barber Colman Company told me of a study that had been made a long time ago at their concern which made them believe that the trend towards larger packages in spinning was not a permanent one. This they concluded because of the additional power costs that were involved in running the larger package.

I therefore asked Ken Lowry what information his department had on this subject, and he sent me the attached letter from Harold Moss which I hope you will read. I think this points out very conclusively that there are decided advantages to running a 1⅞" ring on 31½'s cotton and undoubtedly the same thing applies on all yarn counts. Could you please review your situation once again to determine whether you cannot get additional production (and thus reduce your costs by reducing your overhead) by going to a smaller ring size.

This matter is so important that I would appreciate it if, after you have made this study, you would write and let me know what conclusions you have come to as regards your mill.

General Counsel Exhibit N-57

DATE: May 7, 1956

TO: Mr. J. M. Bailey
Mr. E. O. DeFore
Mr. R. C. Edwards
Mr. J. A. Meehan
Mr. J. J. Norton, Jr.
Mr. J. M. Oeland
Mr. I. S. Pitts, Jr.
Mr. A. B. Sibley
Mr. W. A. B. Sibley
Mr. G. G. Simmons
Mr. M. C. Stone

FROM: Roger Milliken

I have a letter from Joe Norton bringing up the question of our vacation plans which, as you know, are subject to approval by Directors, which was a safeguard which was originally written into the plans in case of serious depression.

If we have not approved vacation plans in our Directors' meetings, please feel free to go ahead and announce them so that the date on which you pay the vacation pay can be known.

General Counsel Exhibit N-58

DATE: June 19, 1956

TO:

Mr. C. E. Anderson	Mr. J. A. Meehan
Mr. George Asnip	Mr. W. H. Moore
Mr. J. M. Bailey	Mr. J. M. Oeland
Mr. D. I. Beal	Mr. T. E. Peden
Mr. S. J. Craig, Jr.	Mr. I. S. Pitts, Jr.
Mr. E. O. Defore	Mr. H. L. Pratt
Mr. R. C. Edwards	Mr. J. V. Roberts
Mr. L. C. Ellis	Mr. G. G. Simmons
Mr. J. A. Ferguson	Mr. F. A. Thompson
Mr. L. J. Fisher, Jr.	Mr. W. E. Thrailkill
Mr. Winston Garth	Mr. M. G. Wallace
Mr. C. T. Holland	
Mr. J. M. Jackson	

FROM: Roger Milliken

In the coming week you will be receiving a letter from Joe Norton about a special loom study project that he is setting up at Gaffney, in which he will be asking you if you are interested in assigning managerial talent for education to this project. The number of men that he can take for this project is limited, but it presents an unusual opportunity for the training of personnel that you feel have future growth potential.

I am writing this letter to ask you to please give his letter serious consideration and to do the same with the man that you will recommend from your mill. Great care is going to be taken in selecting the people who are chosen.

RM

e.

cc: Mr. J. J. Norton, Jr.
Mr. A. B. Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

General Counsel Exhibit N-59

DATE: December 21, 1955

TO: Mr. J. M. Oeland

FROM: Roger Milliken

When I was at West Point this week, they talked a lot about the cost of a good print cloth mill, and they said that it was their understanding that a good print cloth mill had a labor cost of 16 cents a pound and an overhead cost of 16 cents a pound.

Could you please write and let me know what your cost is by the same token.

R.M.

General Counsel Exhibit N-60

December 27, 1955

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

We have your letter requesting information as to how we stand on our cost broken down by labor and overhead. We have analyzed this cost and find it as follows:

Darlington Manufacturing Company
Fabric Cost Per Pound

	Labor	Overhead	Total
Ideal	16.00¢	16.00¢	32.00¢
Darlington Mfg. Co. year ended 11/27/55	17.23¢	14.09¢	31.32¢
Proposed labor reductions for 1956—Net 10.06%	15.50¢	14.09¢	29.59¢

I would like to explain that on our proposed labor reduction we have considered $356,000 as being spread over the entire year and are, therefore, taking a net of about half of this proposed reduction. A good part of this amount is in the changing of our E model looms to larger loom beams. We know that this will run over a good part of the year and therefore cannot benefit from the savings until it is completed.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m
cc: Mr. Hawkins
Mr. Goodwin

General Counsel Exhibit N-61

August 5, 1955

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, South Carolina

NEWSLETTER

Dear Mr. Milliken:-

I called Ken Lowry at Hartsville after our telephone conversation with regard to the possibility of Bill Goodwin staying with us three months to see if he could straighten out our weaving problems. Ken said in view of the fact that we are already making plans to have Bill come here to work with us that it might be better to continue along with those plans and let the matter of a longer period of time here unfold itself. I believe this is the best approach and we will keep in mind your suggestion, and as Bill gets into the problems he finds with us we can then make a decision as to whether to let him concentrate on this problem for a longer length of time.

While Mr. Lowry was here yesterday he discussed with Bill Stallworth the opening in D.M.I.E.D. It is my understanding that Bill told Ken that he would like to have a couple weeks to think it over. I will discuss the matter further with him in a day or two.

We are in the midst of sizing warps made out of different weights of yarns to complete the test on the advantages or disadvantages of additional sizing in the yarn. Mr. George Mobley of Research has been here as well as two men from D.M.I.E.D. We are sizing the second sample today, and hope to complete the other two next week. Monday week we are planning to put these warps on 32 looms. It is my understanding that each warp will be cut off and

moved to four looms in the 32 during the weaving process. We certainly hope we will get some information that will be helpful to us in this matter. We are using every precaution to get the right amount of sizing on the warps in question.

Next Tuesday morning at 10:30 Mr. Woodward of Barnes Textiles will be here to discuss the second phase of our weaving survey. At this time he will have information on the day help we have as compared to competition. After the meeting at Clemson last week Russell Newton mentioned the fact that he knew Mr. Woodward and would like to sit in on this next conference. I have arranged for him to be with us. Mr. Lowry is considering coming back or having someone from his department here at the same time.

A good many months ago when Frank Rowe made a survey of our machine shop, he stated that we needed a hobby gear cutting machine. We are using a milling machine for this and Frank says the gears cannot have the best teeth when cut with a milling machine. We have been on the lookout for this type machine in the secondhand market for some time. This week Jim Higginbotham called me and said they had one in a secondhand shop in Castonia, N. C. which they would sell for $2,250.00. I called Russell Newton and he arranged to have Frank Rowe inspect the machine. Frank called me this morning and said he thought it was a good buy; that the machine was in good condition mechanically as far as secondhand machines go, and it had been well taken care of. The shop in question had it partly torn down and Frank said he made a thorough inspection. We have

gone ahead and purchased the machine to be delivered next week.

I have received the confirmation of paying the dividend the last of August from five of the directors. The only two I lack are Mr. Stroud and Mr. Hatch, and I presume theirs will come in due course. I will make plans to pay the dividend as outlined in the letter you signed.

I think I wrote you that we have been working for some time on the complete renovation of our office space. We poured a concrete floor over the entire area and are having this covered with an asphalt tile; we purchased and installed a 5 ton air conditioning unit that is working very well, and we have partitioned off the office area. We have improved our entrance and reception room. My office has been renovated and will be very much improved. We have done this work with our own help and have been torn up for some time but it will soon be completed.

We have had to tear up the spur track in front of the mill and put in new crossties along the entire line. You may remember that we had settled with the railroad on the rent of the rails at the old figure. Under the contract we are responsible to keep this track up using the railroad's section crew to do the work. I worked it out with them for us to take out the old ties, put in the new ones and do the work on the road-bed. This entire operation is going to run between $1500 and $2000.

We here are very happy over the way the sprinkler system turned out. We were relieved in the first place to know that the water we are using was not collecting sediment in the pipes. This was probably because the same water stays

in all the time and does not run through the pipes. We were further relieved to find that the pressure of 150 pounds over the entire system did not show up any weak spots. Grinnell did install about one fourth of the lower weave room of the new system. We also had them to take out one pipe that was running through the upper weave room. We are using some of the old pipe removed to run some sprinkler heads under our slasher room. The insurance inspector has been working toward this end for some time and it is a hazard that I felt we should correct.

Very truly yours,

J. M. OELAND
Treasurer

General Counsel Exhibit N-62

August 10, 1955

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

I want to let you know the action I took last week with regard to getting our overseers to work together as a team to reduce our loom stops. I called them together and told them about Mr. Stallworth's plans to make a change. While I had them together I discussed the fact that Barnes Textiles stated that competition was able to get their loom stops down on 109x58 to .5. I stated that Barnes Textiles had said that they felt there were some things we would have to do in the way of putting pneumafil on all our spinning and reducing the speed of our X-model looms from 182 to 168 picks per minute. That even though we might question the possibility of going down to .5 loom stops we could go to 1.0 where we were last August and September.

I went over the fact with the group that our pay on a number of studied jobs like weavers, drawing tenders, roving tenders, spinners and doffers was well above the average of competitive mills within the Deering Milliken group and information we had received on other mills; that we had known for some time that the pay of our overseers was less than other of the D. M. mills; that I have been on the defensive in that we had failed to produce at Darlington in comparison with other mills as far as results from a cost angle were concerned. That I was going to make a proposition to the overseers that as a group if we would work

together and get our loom stops down to 1.0 that all the overseers would get an increase of 10 per cent in salary.

We would still be under most of the mills in the D. M. group but I felt a shot in the arm might be a good thing at this time. I did not want to have a let-down, and feel that if the overseers will accept the responsibility we can go right ahead on our program of reducing our loom stops. I already have noticed some things that have been done that encourage me to believe we will show improvement here. There is no doubt in my mind it can be done.

Very truly yours,

J. M. Oeland, Treasurer

jmo—m

General Counsel Exhibit N-63

August 31, 1955

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Dear Mr. Milliken:

You will note from the attached copy of letter I have written K. M. Lowry that Bill Goodwin is going to work with us beginning next week as production superintendent. He came to me last Saturday morning and asked if the job had been filled and whether he could be considered again. I told him in view of the fact that he had told Mr. Lowry that he would stay on in his present capacity I thought the first move to make would be to talk to Mr. Lowry as to whether he would agree for a change or whether Mr. Lowry might have in mind more for him in D.M.I.E.D. than he would get here at Darlington.

Over the week end he talked to Mr. Lowry and told me Monday that he had Mr. Lowry's approval for the transfer. I called Ken and confirmed this understanding. We both made it clear with Bill that there would not be any looking back as we felt one of the things he must decide was whether he wanted to come, and not have this back and forth situation that we have experienced. This is clear with him, and he has accepted the position.

I feel sure this meets with your approval. I think the turning point in Bill's decision was his discovery of the potentials we have here and the possibility of working through our present organization to achieve marked improvement.

I had interviewed besides Mr. Lewis Deal who was formerly with J. P. Stevens, a Mr. Jim Funderburk who had worked for Cannon 18 years at Concord. I was very much impressed with Mr. Funderburk, and feel that Mr. Deal has good potentialities in our organization. It so happens that I had not gone too far with either of these before Bill had talked to me last Saturday.

Very truly yours,

J. M. Oeland.
Treasurer

jmo-m

General Counsel Exhibit N-64

September 5, 1955

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Dear Mr. Milliken:

You will find attached hereto a resume of information I have been able to gather about Mr. James Funderburk and Mr. Lewis Deal. I trust this is what you had in mind. I realize I rambled on to some extent and perhaps have not given the detailed information requested but rather more my impressions. In any event I trust it will serve your purpose.

Very truly yours,

J. M. Oeland
Treasurer

Enc.
jmo-m

General Counsel Exhibit N-65

August 29, 1955

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Subject: Wage Increase August 21, 1955

Dear Mr. Milliken:

We have completed our plans for the wage increase here at Darlington. You will note from the attached schedule that the wage group were increased an average of 3.49¢ per hour. This was a 3.11% increase as to the jobs and 3.07% increase as to the standard payroll. We have also listed the jobs under $1.00, which we plan to increase next March 1st. There are 47 jobs, or about 10% of our total jobs that we will increase 3.90 cents per hour.

We will be glad to furnish you further details if you wish. In looking over information that was available at Drayton we noted that our first largest categories that is, weavers, spinners, doffers, roving frame tenders and drawing frame tenders averaged as high as any of the D. M. mills, as well as any listed of competition. We decided that we could not see our way clear not to increase these jobs which comprise about 40 per cent of our entire labor force. We decided that we would increase each of these jobs 2 cents an hour. Another large group are our section men, who were increased 3 cents an hour and which brought them in line with what is being paid at Hartsville. All jobs under $1.00 per hour were increased 5 cents and those around $1.00 were increased 5 cents in order to hold the

General Counsel Exhibit N-65

same differential. We made it clear with the overseers there would be no increase next March 1st other than the jobs that are presently under $1.00 per hour.

I wrote you that I had made a proposition to all overseers to increase them by 10 per cent if the loom stops for 109x58 were brought down to around one loom stop per hour, and other constructions by similar reduction. I told them at this time that we would increase their pay by $5.00 per week beginning September 4, which would be part of the 10 per cent. We are planning to make a similar increase to the office salaried employees and an adjustment of cents per hour in the range rates of the wage employees in the standards and laboratory group.

We trust that this meets with your approval, and if you have any questions or suggestions we will be glad to have you pass them on to us.

Very truly yours,

J. M. Oeland
Treasurer

Enc.
jmo-m

General Counsel Exhibit N-67

May 9, 1956

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

In the discussion yesterday it was brought out as it has been by several of our supervisors, that they thought it would be wise for us to plan to shut down one week for vacations, the week of July Fourth. I discussed with Mr. Poag the question that we post notices to that effect now and he advised against it. I do feel that it has merit, and would like to recommend that we plan to do this, making announcement at the appropriate time if Mr. Poag approves.

It is my opinion that it would encourage our good people to work up until that time if they had it to look forward to. From the condition which I set out in my letter today, it looks like the card room will have very little spare help and we will have to arrange to get in more to give these good people vacations on their request. I would like to have your approval before we move in the matter.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit N-68

July 19, 1956

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Dear Mr. Milliken:

We trust that by the next treasurers' meeting we will have materially reduced the number of spare hands and thus decrease the number who get less than 40 hours a week. Looking over our figures that we forwarded to you, we note that of the 126 getting less than 40 hours, the group was broken down as follows: sick 30; sent out 34; asked out 53; vacations 9. Of the 34 sent out we notice that 14 are in the cloth room where we presently have a day of rest program in effect. We are making plans to transfer some of these employees to the weave room and do away with the day of rest. The other 20 of the 34 you will find were either on shifts or in departments that did not operate more than the 40 hours in the week in question. We wrote you that we were presently over-producing our warp yarn, cutting down the running hours on warp spinning, affecting the hours worked in the spooling and warping and carding departments. It was in these departments that these hands were working who did not receive more than 40 hours.

Mr. Goodwin is steadily working on eliminating spare help. Where we have someone dropping out we are either arranging to transfer spare help from another department or seeing if it is possible to do without the spare help in the department which lost the employee. We are hoping as time goes on we can educate our employees to the importance of regular work and this will help us do away with the group that are continually out sick part of the time. We have a policy

limiting the number of days for this cause and have discharged several employees recently for overrunning the number of days out for personal reasons. This policy is very generous, allowing 20 days in a year. We have already discharged several employees with the year just about half gone and probably will discharge others before the end of the year who are on the borderline.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit N-69

August 3, 1956

NEWSLETTER

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, South Carolina

Dear Mr. Milliken:

On Monday of this week we had Mr. Bill Lowndes of D.M.I.E.D. with us and he showed the charts to our supervisors that we had at last treasurers' meeting. I feel that this was very helpful in putting over to our group where we stood as compared to the other mills as well as the progress that is being made by some. I was delighted at the interest some of our overseers had in the charts, especially our spinning room overseer who is working very hard to improve his cost. The results are already showing, and I feel sure as time goes on he will continue to make improvements. We realize in our carding that we will have to keep pushing if we want to hold the position we presently have. As soon as we can complete some plans that we have of installation of pneumastop, and dragline to pull out the roving cans we will make further improvements in costs.

On Wednesday of this week Mr. Pete Poag and Mr. T. T. Glenn were with us and we met with our overseers discussing the union situation. Mr. Poag feels that we have everything in hand and would like for us to continue on the same program. I think one thing that has been very beneficial to us is that we have taken an aggressive attitude about our position when changes are being made. I feel that we have kept ourselves on the defensive rather than the offensive during this period. Several things came out in our meet-

ing pointing up the fact that we were continuing to run the plant and calling in line any offenders who might interfere with the proper management functions. We are making the changes only that fit in with our previous policies. I told Mr. Poag when he suggested the visit that we fight the union activities and worry about any action that might be brought against us later by the Labor Board." I called to his attention the other day that we had done just this, and got his approval to continue.

Yesterday we had a visit from Harry Defore and made plans to have Harry and Ray Toher present to our supervisory the program that has been put over at Monarch of test line improvements and training. It was Harry's idea to help us begin to think about the program and utilize experiences at Monarch to make improvements in our plant. I feel that this is a good suggestion and we can benefit in the intervening time while Harry's group in working at Gaffney.

We were glad to have a sale made by the New York office of 225,000 yards of our 3.00 poplins. We have completely sold our 390 poplin inventory. We have made plans to put 40 looms on this construction, and made a sale this week of 300,000 yards of the anticipated production. We are going to increase the 40 looms to 80 on this style taking them off of our 109x58 broadcloth.

The delivery of our 50" looms started this week and we are expecting to have in the 84 looms by the end of next week. We are putting them in the warehouse awaiting the contracted work to be completed in the mill. I will feel relieved when we can decide on the styling of these looms. So far nothing has materialized. It will be necessary for us to know the construction that we will put on looms in order

to work out the proper balance in our mill. We are contemplating the possibility of having to put more of our 40" looms on 80 sq. but the styling of the 50" looms can materially affect our balance one way or the other depending on whether they are on a slow or fast pick goods and the ends in the warp.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit N-70

August 31, 1956
Newsletter

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, South Carolina

Dear Mr. Milliken:

I presume that Mr. Poag has kept you advised of the fact that the election is set here for next Thursday, September 6th. Pete was here Wednesday of this week and we went over plans for this election discussing with our overseers their opinions about certain questons with regard to what management should do. We decided that we would not bring all the people together for me to make a talk to them nor would we send out a letter to each employee. It was our feeling that the supervisors had done such a good job working with the employees that we would continue along this level. I did make a talk to the salaried group in the office, standards and laboratory, setting forth management's position and giving information to them about this election. This morning we had a meeting of second hands and overseers going over our plans and approach. Mr. T. J. Glenn has been with us since Wednesday and expects to spend Tuesday, Wednesday and Thursday of next week here. Mr. Poag expects to be back here Wednesday and Thursday.

I was away last week on one week's vacation. Mr. Poag got in touch with me on Monday and stated that it seemed to be the feeling as expressed to him by Mr. Goodwin and our supervisors that closing down for the stock car races to be held here Monday would be advisable. Mr. Poag had talked to Alan and Bill Sibley about this and they felt that it should have consideration. I immediately called Mr.

Goodwin and suggested to him that he have all the overseers in and if they felt it was the best it was the best thing to do to post notices that we would close down Monday for the stock car races. We have copies of letters forwarded to certain employees by the union with regard to their plans for a meeting Sunday afternoon. In this letter they made a good deal over the fact that we were closing down and posting notices within an hour after we had received notice from the labor board of the election. It was our opinion that their emphasizing the change in our usual plans of running during this day would not materially affect the outcome.

We are still confident that we will win this election. At the same time we realize that a lot of eleventh hour rumors will be used and we will have to be ready for any eventuality. I have been working with a group of our friends uptown, and anyone else who I feel would be helpful to us in talking to our employees. We are especially stressing the importance of everyone voting. We are scheduling for each department plans for sending employees out to the polls. Mr. Glenn certaintly is proving helpful to us at this time as well as other times when he has been here working with us.

We have been selling some goods during the last several weeks amounting to about each week's run. We are accumulating some inventory on our 109x58 broadcloths and will commence accumulating some inventory of our 3.00 109x46 poplins. We are hoping that after Labor Day something will open up on these styles.

The efficiencies in our weave room have been better the last three weeks than for a long time and the poundage of cloth coming through this period will be the best we have had this year. We have been working with Mr. May on styling

up our 50" looms that we hope to have in operation by October 1st. We are now dickering with Arno Adhesive Tapes on a 300,000 yard order of a 40" 80 x 72 printcloth. I am a little worried over the fact that there seems to be some confusion in bidding on this contract. We had offered to take a much lower price than we wanted but understood competition would accept in order to get these looms started up on a simple style. Mr. Goodwin was hoping to start the looms up at 192 P/P/M and during the breaking in period felt it would be well to have a simple printcloth style to weave. After we made a price we understood that Gaffney had asked a cent a yard over what we and competition would be willing to consider. The order has not been placed as yet as we are waiting on specifications before commiting outselves. On the other hand, we are so anxious to get an order for these looms and get them started up on time that we are planning to take the order if we can meet the specifications.

We are moving right ahead on preparing the area for the new looms. We have completed the moving of the supply room and will complete this week end the moving of our canteen to a new area. Fiske-Carter got the contract for the work and they seem to be doing a good job and moving right along on their part in preparing the area in question.

We have received and installed six of our junior cleaners on our openers. We anticipate moving the machinery to make room for the other six this week and get them installed next week.

The installation of the ducts for the pneumafil for the warps in spinning are moving along very well. We have not received a shipment of parts for putting on the

pneumafil but this should be coming along pretty soon. In a way I am delighted to have this breathing spell of no big installations in any rooms as it has enabled us to settle down and do a better job of keeping things running all right during this period.

Very truly yours,

J. M. OELAND
Treasurer

jmo-m

General Counsel Exhibit N-71

September 14, 1956

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

I do not wish to burden you with information and news of Darlington. The entire community is very much upset and are inquiring of me what I think they should do to get you to reconsider. I have discouraged any possibility that anything can be done to change the course of events. I understand several meetings have been held and some petitions are being circulated among the workers in the mill. I suggested to Mayor Buchanan that he call Pete Poag about his idea of getting up some affidavits from employees who had been contacted within 24 hours before the election in order to throw out the election with the Labor Board. I understood that MacGruler who conducted the election expected to be here and Mr. Poag had suggested that he talk to Mr. Buchanan. We all know that even if the election could be thrown out the Labor Board would not consider an election any time soon in view of the statement from management that they were planning to liquidate. I, therefore, do not see that anything could be accomplished along this line and have suggested to them the same. At a meeting last night I understood that the directors of the Chamber of Commerce were considering going to Spartanburg in a body and discussing the matter with you. A definite decision has not been made, and I did suggest that it might be well for a friend of Alan Sibley to call on him and discuss with him their plans as I felt Alan's judgment would be invaluable in guiding the situation that we find we are presently in.

General Counsel Exhibit N-71

I have been called by several news reporters for comments, which I have refrained from giving. I told them that I expected a news release would be given out by you which would cover management's reason for the action. I have not noticed such a release in the papers here but presume that you have it under advisement.

We have taken all the steps we feel are necessary to hold up any further expenditures. Hal Byrd will be here Monday at which time we will again appraise the situation and do whatever we can to make plans for the best interests of all concerned. Mac Thornton is here to appraise our supervisors and he feels that perhaps he can complete this work by Tuesday or Wednesday of next week.

Very truly yours,

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit N-72

September 28, 1956

NEWSLETTER

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, South Carolina

Dear Mr. Milliken:

We were hosts along with Hartsville to the spinner group this week. They were here Wednesday morning and had discussion and went through our plant and had lunch here. In the afternoon they went over to Hartsville and went through their plant and had supper with them. A very good group was in attendance: from the service department there was mainly a group from Research.

Yesterday two of our overseers, Bill Hammond of carding and D. K. Shirley of spinning, went to Judson to be interviewed by them there. The visit was nothing more than the preliminary chance to get to know these men. I think I wrote you last week that these two had been up to Laurel Hill, North Carolina, discussing an overseer's job in one of the Morgan plants. I gathered from the grapevine that Curtis Simpson at Hartsville has given a notice and he contemplates being superintendent of this plant. I further gather that Curtis has been discussing this with the plant and approach was made to our overseers even before the election to feel them out as to whether they would consider a change. Early Jones was here yesterday and discussed with Tom Baker who is our master mechanic. Both Early and Frank Rowe knew Tom at Danville and consider him a splendid man. It is my understanding that Tom has been approached by someone at Danville about his returning there.

General Counsel Exhibit N-72

I feel that it would be very helpful if I could have some word from you as to what promises I can make the supervisors should the stockholders approve the action of the board of directors. I feel that I could reasonably promise them that you would want to keep them here until November 30th on the payroll. I hesitated to make this promise in view of the fact that I had no word from you as to what you felt would be the right thing. We have also been asked by the group about what action will be taken on the year end bonuses. Bill and I told the group that these bonuses were approved each year by the board of directors and therefore no commitment could be made on our part about what could be done.

There is another matter I would like to get your approval on. We have paid T. J. Glenn for all his expenses in coming to Darlington during the period we were fighting the union and have reimbursed Monarch Mills for time he was away from his job there. I would like very much to send him a check to show our appreciation for the hard work he did with us during this period. I had in mind a check for $500.00 but I have not committed myself awaiting your approval.

We are very thankful to say that the plant is running very well and efficiencies are holding up as well as could be expected. We are trying to keep everything in status quo until the 17th. A few of our better employees are being offered jobs and a few are leaving. It is encouraging to know that practically all of these that leave are asking us to let them come back should the mill continue to operate.

I understood that you have been out of town and were expecting to return the latter part of the week. I trust that you will find time beginning next week to let us know if

there are any changes in your plans or whether you would advise us to act differently than we have been doing in the intervening period since the directors' meeting.

I have tried not to worry you with information regarding the action being taken by Mayor Buchanan and other interested citizens in keeping the company operating. I have tried to kep Mr. Poag advised and have had several telephone conversations with him. I feel sure that he will discuss the matter with you and give you such information as he feels will be advisable.

Very truly yours.

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit N-73

October 12, 1956

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Dear Mr. Milliken

I have been going over in my mind some of the things that perhaps we should discuss in the directors' meeting after the stockholders meeting on Wenesday. I took the liberty of calling Mr. Poag this morning and suggested that he give some thought to whether some of these items should be discussed, and implications, if they were approved.

I discussed with him as to whether the directors should consider the payment of vacation pay for employees from April 1st until closing of the mill if the stockholders approve the liquidation. I asked him if the directors approve such action whether this payment would be considered severance pay or vacation pay.

I discussed with him the oral understanding I had with Frank Fleming, who is presently receiving $150.00 per month from us until such time as he reaches 65. The oral understanding I had with Frank was that payment of this retirement would be approved by the directors each year; that in the event the mill did not show profits each year that would warrant payment, or should close down, that this retirement pay would be discontinued.

I discussed with Mr. Poag the question of the water being furnished to certain houses and whether any action should be taken at this time with regard to this problem should the plant be sold. I asked him if any statement about this fact should be made at the sale of the plant.

General Counsel Exhibit N-73

Other items that I would like to outline to you that perhaps should be considered at the directors' meeting are:

1. Dividend payments for November 30, 1956
2. Bonuses for office and salaried group
3. Group insurance
4. Remuneration for Mr. Glenn

In the case of the bonuses to be paid to office and salaried group I would appreciate your giving some thought as to what we shall do for Bill Goodwin. Early in the year I discussed with you the possibility of putting Bill on an incentive bonus of one-half of one percent. This bonus arrangement was never made, and it is my feeling now in view of the fact that there will probably be no profits at Darlington this year that we consider a cash bonus for Bill for the splendid work he has done.

We have a letter from Mr. Paul Wilson stating that for the twelve periods this year we have collected $800.00 more than we paid out on our group insurance and it was his suggestion that we post notices that the group insurance collection would be waived for the last two weeks the mill was in operation. It was his opinion that it is very important that we not be left with employees' funds on the mill books should the plant be liquidated.

We continue to operate satisfactorily in the mill. We are experiencing some shortage of help, especially of doffers in the spinning room. It is our opinion that some of our people are out hunting jobs elsewhere and are not reporting for work. Should the vote be to liquidate next Wednesday it is possible this feeling will spread and it would be better for us to consider running out the stock in process

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as promptly as possible. We would have to take some measures to get another D. M. mill to complete our present orders or else see if we cannot trade with the customers to make some adjustment for the incomplete portion of the orders.

We were requested by Mr. Kable to get up some figures on how we will stand year end. I am sure you realize that there are several items that will affect our year end profits or loss. Last period we absorbed $7.000 of our loss in hedges, and we have about $50.000 more. I think I wrote you that Mr. Truluck feels we have a profit in our inventory of cotton to offset this. It would look logical to include the loss in hedges against our operating statement, and if there is any profit in our inventory it will go against liquidation.

Some discussion has been had by Mr. Byrd on some of the larger items expensed in the way of Dixon saddles and Duo-Roth with the suppliers. Here again we are presuming that these items will be sold with the equipment and we will not receive any credit in the way of sales or returns.

I had a call from Mr. Lowry listing sixteen of our office and supervisory personnel who D.M.I.E.D. agrees to carry for a period of three months after their separation from the Darlington payroll. We have notified each of these men of the action taken and I feel sure that they very much appreciate it. Several of the men have been discussing jobs with other organizations. If they can have this information for a background of their standing should they seriously consider making a change to plants other than D. M. it will be very helpful. This morning I had a call from J. W. Greene regarding Tom Baker our master mechanic, and Herman Williams our time-study trainee, visiting the Kingstree plant and discussing employment with Mr. Roberts. They have called him and plan to go to Kingstree and seek employment in that plant.

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We have received proxies for about 122,000 shares of stock. If Henry Simpson is here at the meeting or sends in his proxies for Heyward Lyles to vote it means we will have around 142,000 shares of the 150,000 represented. We are getting some proxies in each mail and by the time of the meeting we may be still closer.

In a telephone conversation with Mr. Poag this morning he mentioned the fact that you are planning to drive down with him Tuesday afternoon and spend the night in Hartsville. Unless I hear further from you I will not send Bill Goodwin to Hamlet Wednesday morning to meet the 8:20 train. It may be possible that Minot and Gerrish are planning to come to the directors' meeting. If this is true please let me know and I will have Bill meet the train.

Very truly yours.

J. M. Oeland
Treasurer

jmo-m

General Counsel Exhibit N-74

November 9, 1956

NEWSLETTER

Mr. Roger Milliken
234 S. Fairview Ave.,
Spartanburg, S. C.

Dear Mr. Milliken:

We had a meeting Wednesday of this week with Mr. Payton, Mr. Gossett and Mr. H. S. Williams of the T.W.U.A. With them were five of our former employees. Mr. Pete Poag and Mr. James and Bill Price were here with us and I presume you will get a report from them on what transpired at this meeting. So little was brought up and discussed that I wondered why they asked for the conference other than to have the local committee in my office. I hope that Mr. Poag can avoid any further meetings with them as I do not see what good a meeting of this nature would accomplish.

We are proceeding on schedule of the installation of new equipment on spinning and looms and our cleaning program. We are shooting at completing all of this work by Saturday November 17th. This will give us plenty of time to get any odds and ends of the equipment that may not have been delivered to us here on the spinning frames and looms. The cleaning of the looms is a rather slow process but I feel we are getting a very good job done and our efforts will be repaid when we sell the equipment.

We have had several visitors this week and have kept you posted by copy of letter we write in each instance to Hal Byrd in which we set forth the main interest of the visitors. We expect that the number will increase as we get nearer

the sale. Invariably the comments are very favorable, not only as to the type of equipment we have—but the mechanical condition.

We are continuing to see some of our better help and supervisors get placed on other jobs. We still have a long list of those that are drawing unemployment, and find that some who leave for other jobs become dissatisfied because of the job and work conditions. I was glad this week that Mr. Hugh Campbell, who is our preparation overseer and one of two of our supervisors who was not on Mr. Lowry's list, get a job with one of the Erlanger plants in North Carolina. He is to be overseer of carding and spinning. In many instances the salaries offered to our key people are as good or better than we have been paying here. Mr. Bill Goodwin is going over a proposition made to him yesterday by Mr. Alan Sibley which would require his leaving Monday. Should this happen I am contemplating seeing Hal Byrd about getting Bob Wise to be with us for about three weeks before the sale, and take care of visitors who call on us as well as getting everything lined up here for the sale. We received from Lockhart this week some equipment that they are planning to sell along with our equipment. We are cleaning out a warehouse and putting all this equipment sent here by other mills in one warehouse so there will be no confusion as to what is what at the sale. If Bill Goodwin goes I trust that I can arrange with Bill Hawkins to stay with us until after the sale to help us tie up all the loose ends. I was talking to Mac Thornton this morning and told him Wiley Anderson, our cloth room overseer, was available now any time Mr. Lowry's department or another mill wanted to offer him a job. Tom Baker, our master mechanic, has had several offers. He has been invaluable to us during this

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period of installing the equipment on our spinning, and I think has done an exceptionally good job. Lonnie Dixon, overseer of weaving, is looking after the cleaning of the looms. Four of our second hands have been placed elsewhere and one or two others are pretty well lined up for jobs.

Very truly yours,

J. M. OELAND
Treasurer

jmo-m

General Counsel Exhibit N-75

January 4, 1957

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Dear Mr. Milliken:

I had a call from Mr. Pete Poag this week arranging for a conference with me for Sunday, January 13th and for the supervisors who are being returned to our plant on the 14th. This is all in preparation for the hearing to be held on the 15th in Florance.

In the conversation with Mr. Poag he said that the attorneys for the labor group were requesting copies of our payrolls from September 1st through October 17th. I told Mr. Poag that it would be quite a job to copy these individual records showing the hours and jobs, etc., and that if it was required that we furnish these payrolls it would be better for us to look into having them photostated. He called back and said that Mr. Dyer, attorney for the labor union—or Board, am not sure which, would be here next week and we were to allow him to inspect these payrolls and get off what information he needed; that it might be possible that he would request that we give him those payrolls for a few days in order that he can have his clerk copy off information he wants. We are to take a receipt for the payrolls and deliver them to him. I presume that we shall follow his instructions. We have gone ahead and made four copies of the minutes of the directors' meeting held September 12th at Drayton, stockholders' meeting held October 17th, and directors' meeting held after the stockholders' meeting on the 17th. I am holding these to be delivered to

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Mr. Poag when he gets here. I am at a loss to understand why they can make any demands and we deliver anything they want while we cannot even be furnished with copies of affidavits of our employees before the hearing. This whole matter seems to be handled on the basis of tying our hands behind our backs and given any kind of treatment. Personally I dread going through such treatment at the hearing. The Freeman representatives are still with us and are checking out machinery sold. This is moving along rather slowly but presume it will gain some momentum as we proceed. I gather that Clarkson Bros. have contracts for the majority of our spinning, carding, and E model looms. I am trying to follow as carefully as possible the removal of this equipment without being unreasonable.

We have sent out our proxies this week and some are being returned. I presume that our agenda for the stockholders' meeting will be pretty much in line with what we have passed heretofore. In a telephone conversation with Mr. Weyer this week the question was raised again about an amendment to the retirement plan that we did not act upon in our directors' meeting in December. It was my understanding that this retirement plan was to be discontinued, and Mr. Kable had suggested that we not pass the amendment. In view of the fact that our minutes are being copied and being given to the labor group there is a question whether the action we might take at these meetings might be carefully gone into before the meetings are held. For instance, you may remember that we have been approving any payments made to Research Corporation, etc. I am wondering whether all of these actions should be analyzed and whether we should proceed as heretofore or change our plans. You may remember at the last directors' meeting we approved certain set aside funds for a pension to Mr.

Nicholson and Mr. Fleming. I wrote this up in the minutes and had a call from Mr. Kennedy in New York that he had discussed with Mr. Poag certain changes with regard to incorporating this in the minutes. I wrote Mr. Poag about it and have not had a reply as to what changes should be made in the draft of these minutes as he had previously approved the minutes as written.

I wrote you about the Internal Revenue Agent after he made a check of our 1954 and 1955 federal income tax returns. He was to pay me a visit this week to discuss some of his findings but as yet has not been back. I discussed with Mr. Kable on the phone twice just what I should do in this discussion and he has left the matter up to my discretion for the preliminary discussion.

The auditors have completed their audit. There is a reserve for liquidation fund of $350,000 set aside on the balance sheet. This is in line with Mr. Kable's approval. We are today preparing a period and report for the period closing December 29th. If there are any questions you have on this report we will try to answer them. You will note that it is nothing more than a skeleton report of items of expense charged where we would consider they were applicable.

Very truly yours,

J. M. Oeland
Treasurer

General Counsel Exhibit N-77

REPORT OF OPERATIONS

Period Ending 7/8/56

1. Sales for period—Net	$ 409,846.
Planned sales for period ..	478,000.
Over or (under) planned ..	(68,154.)
Sales this year to date	$3,691,220.
Sales last year, same periods	3,971,497.
Over or (under) last year ..	(280,277.)

	Period	Year to Date
2. Profits for period, subject to taxes	$ 9,477.	$139,349.
Planned profits for period ..	20,000.	162,000.
Over or (under) planned ..	(10,523.)	(22,651.)
Profits last year, same periods	$ 26,966.	$183,382.

Comments: You will note above that our period sales were under planned by $68,000.. This is further reflected in an increase in our cloth inventory and lower profits then expected. With the vacation period at the finishing plants arrangements were made by the New York office—for some of our customers to delay the billing of the goods. We are hoping that this will be adjusted in the period we are presently in.

We are listing below the extraordinary expenses for the period in question. In addition to this the period profits were affected by the increase in accrual for payroll taxes

and Workmen's Compensation insurance to take care of the vacation payment made during the period. This addition amounted to about $1500. Extraordinary items are:

Twenty-six inch loom beams—E model looms	$5,388.50
Balance due on Roberts double apron system 16 warp frames	1,874.26
Fluorescent light fixtures new supply room	472.36
Additional warp paper tubes	703.24
Parts to widen stitchers and scrays for 50" looms	385.00
Bricking boiler room	567.30

3. Estimate of sales & profits for next three periods:

	Sales	Profits
Period ending 8/ 5/56	$476,000	$19,000
9/ 2/56	471,000	18,000
9/30/56	463,000	17,000

Comments: We are preparing this week a new projected profit. We are planning on reflecting in this extraordinary items of expense like the Duo-Roth on 80 frames of warp spinning; Dixon front rolls on the same spinning; 38" aluminum warp beams; 15" cans change over on finisher drawing. We are certain that these extraordinary items are going to mean that we will show very little profits for the balance of the year.

4. Number of weeks production on order: 8,197,000 yards, equal to 15.6 weeks production.

Comments: Goods we sold during the period were mainly a large order for Stein-Tex of 109's in the first quarter next year. We have sold about 40 per cent of our production for third and fourth quarters and we are hoping after the holiday period we will have an improvement in demand for goods we have available.

5. Inventory of cloth 1,792,353 yards, $367,347. This includes goods applied and on order, and goods for sale. We have 860,000 yards of stock on hand for sale, which is equivalent to 1.6 weeks production.

No comments.

6. Planned operating schedule: 144 hours per week.

Comments: We are having excess warp yarn on our present balance. In styling our looms we anticipated having this condition hoping that we would have yarn available to fill up our loom beams for the 50" looms as they were installed. We ran into a snag this week on this installation. We let the contract for fixing the old supply room space, amounting to about $39,000. The contractor called and said because of the steel strike he was unable to cover necessary steel for posts and beams. We have been unable to plan any sales on these looms, and rather than pay the contractor $2000.00 extra for the steel in the grey market we decided to ride it out for the present hoping that the steel situation would soon improve. The looms are scheduled for delivery the last of this month or first of next. The contractor said that it would take 60 days to complete his work so this means it will probably be three months before we have the looms in operation. We are running our warp spinning from one to two shifts a week less than the 144 hours as we find we are unable to sell any warp yarn. This condition is affecting our card room production also, and we are cutting down this department to less than 144 hours.

7. Long or short position of raw materials inventory on hand and on order: 701 Bales long.

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Comments: During the period in question we have purchased 1400 bales California cotton in the government sales transaction and 1000 bales of Memphis. You will note that we are still in a slightly long position even though we have the 5700 bales of futures sold. We are working with Mr. Truluck on the delivery of about 5000 bales due on various contracts in August. We are hoping that his plans will mature where he can handle the grading and weighing of the cotton at the Cotton Blossom warehouse, delivering to us so that we can stack the cotton immediately to help our warehouse situation here. All this cotton we have bought is fixed at an average of around 35.50 cents.

* * *

Reports of Overseers edited by Mr. Goodwin

8. A. Projects Accomplished to Improve Quality:

CARDING:

1. Our cotton mix is now 8 per cent Eastern, 28 per cent Memphis and 64 per cent California. We are almost out of Eastern cotton and we are running low on Memphis.

2. The responsibility of correct cotton mix has been assigned to the card room. Carding supervisors check each bale of cotton opened to see that it is the correct grade, staple, growth, and spinnability. Also the bales are checked for false pack, mildew, tar contamination, or any other damage at the same time.

3. Our lap conveyor is working satisfactorily, however, the ceiling fans are not giving satisfaction. The fans tear up the laps by blowing across and sucking across the laps. At the present time we are not running the fans as American Mono-Rail is to come down and work out this problem for us.

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MACHINERY MAINTENANCE:

Due to special spinning checks we did not have the regular amount of machinery checks during this period. Here are the results of checks that were made:

	Amount Inspected	Average Demerits
Cards	9	113
Drawing	4	19 per delivery

The card room maintenance man is starting another cycle on cards. This cycle plus one more will allow us to complete the overhauling of our flat drive assembly. We can then start on reducing minor demerit items.

Lee Hall, the card room maintenance man has put grease fittings on the studs on a lap roll gear train bracket. His idea is to grease on a less frequent schedule but to reduce wear and replacement on gears and studs.

We are putting grease fittings in picker studs and this is helping us to reduce breakdowns. The dust in the picker room tends to choke up oil holes. These grease fittings and proper greasing should help to reduce our repair part cost.

SPINNING:

1. Have lined up two warp doffing assignments so as to get the maximum running time from each frame. and also that we might get a more uniform package size. This has increased efficiency at least 5 per cent on warp.

2. Have checked for and taken off all old 2" rings that had gotten mixed with new 2" rings. This was causing soft yarn and in turn causing it to slough at spooler.

3. Have changed the oil being used on lifter rods from liquid molly to lard oil. This has almost eliminated stuck rods.

Preparation:

SPOOLING & WARPING:

1. Cleaned and overhauled elevator belts which drive spoolers Nos. 1 and 2.
2. Recalibrated and cleaned and overhauled all snick-plates on spooler #2.
3. Overhauled clutch on warper #1.
4. Overhauled drum brakes warper #2.
5. Reversed and lowered cleaning brushes on quill cleaners Nos. 1 and 2.

TYING AND SLASHING:

1. Buffed dresser roll slasher #2.
2. Overhauled size level controls slashers Nos. 1 and 2.
3. Installed heaters under size box, covers slasher #1.
4. Overhauled beam friction slasher #1.
5. Buffed dresser and squeeze rolls size box #1, slasher #1.
6. Installed bearings on dresser roll slasher #2.
7. Replaced shear pins and adjusted immersion rolls slashers Nos. 1 and 2.
8. Overhauled delivery roll assembly and yardage clock slasher #2.

9. Cleaned, oiled and inspected tying machine #2 replacing all worn parts and made necessary adjustments.

WEAVING:

1. The shop has completed the removal of all overhead pipes that were not in use—which will enable us to do a better job on overhead cleaning.

2. We have installed six vibrator lease rods on X looms and we hope to get some loom stop checks on these in the near future so we can determine if they will lower our loom stops.

3. We are having all batteries and RH box plates gone over and thoroughly cleaned. This will be continued at each warp-out, and it should improve the breaking filling on change. We have changed 215 looms to 26" beams to date.

4. We are having the second hands check the relative humidity every four hours. We hope to get some recorders for the E-room, and we already have recorders in the X-room.

5. The trial of the 8¾" bobbins looks very promising on the 42's yarn. Additional bobbins have been ordered to expand this trial. Along this line it has been requested that our new looms come equipped for 8¾" bobbins.

6. We have put on six new type dent reeds from Steel Heddle. This type reed is much stronger and will reduce reed marks in the cloth. While this type reed is more expensive the cost is offset by improved quality.

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7. We have changed our looms entirely to the plastic walled shuttles. The cost is 50 per cent more than a dogwood shuttle but the life of the shuttle has increased about 75 per cent.

8. We also have started to use the new Gatos Texhide pickers which is double the price of our old picker. This gives us the same cost with the increased life of the picker, but has benefits in less changing, etc.

Projects Under way and Planned to Improve Quality:

B. CARDING:

1. We are waiting for a decision as to whether or not lap conveyor track will be moved so that we will know where to locate fly removal pipe.

2. We still have not heard from Gossett concerning our oscillating drawing clearer. I will request a delivery date from Gossett as we are very interested in getting this clearer.

3. The shop is preparing to install a can conveyor in one card alley. The entire card room is extremely interested in this conveyor.

4. The shop is putting a larger control switch in opening room. This should eliminate the sticking of contacts and other electrical trouble we have in opening room.

5. The Research Corporation made several good recommendations on maintaining the proper machinery file. These recommendations will be carried out completely.

6. We have a set of top slack roll bearings (for picker) that are roller bearings. As soon as the shop can

complete the machinery we will put these bearings into use.

SPINNING:

1. We plan to line up all warp and filling doffing assignments as nearly as possible as the two outlined assignments as mentioned in 8-A.

2. Have checked builder motion parts, replacing all worn parts and corrected anything that would cause the ring rail to dwell. This has improved our tangled yarn at spooler and also wild yarn at warper, which means a decrease in wild yarn at slasher and weaving.

PREPARATION: Spooling & Warping:

1. We plan to replace and adjust thread clamps, detectors, spindles and supports of spoolers 1 and 2.

Slashing and Tying in:

1. Buff dresser and squeeze rolls slasher #1, box #2.
2. Buff Squeeze roll—slasher #2
3. Rewire dry fans Slashers 1 and 2
4. Install cleaner blowers over fronts of slashers 1 and 2.
5. Clean, oil, and make necessary adjustments tying machine #1

* * *

8. C. Allowances Made During Period:

Comments: We are having visiting us today Red Shortvall and Billie Davis in regard to quality. They are going to discuss with us the complaint on 4000 yards made

by Mill Fabrics. These goods were delivered to the customer in February, March and April of this year. Some of these goods were returned to us and we have looked them over. We sold this customer something over 800,000 yards at this time and have received complaints on around 8000 yards, mainly for warp streaks.

D. Percentages of first quality on periods production:

Mill totals	94.75%
Last period	94.75

Increase-Decrease—

No comments.

E. Loom efficiencies:

Week ended		6/16	6/23	6/30	7/7	Totals
Loom	E	90.00	90.80	91.10	90.20	90.53
	X	88.40	89.10	88.00	87.70	88.30

Mill average 89.60 per cent

Comments: We are glad again to note some improvement in loom efficiencies. The weave room on the whole has run better during the last period than it has for some time.

* * *

Mr. Hawkins

* * *

9. A. Expense Reductions Accomplished:

1. One filling spinner per shift was eliminated due to pneumafil, 12x6½ creel package, and octopus cleaners.

2. Wendell McGowan, the co-op student from Georgia Tech, has returned to school after having spent the past ten weeks studying warp tensions and their effects on the weaving efficiency of style 333. During this study he used the Brush Tension Analyzer for tension measurement and produced some worthwhile results. Through increasing the warp tension from the previous production level of 15-20 grams to 35-40 grams a decrease in warp stops of 0.18 stops per loom hour resulted. The possible potential savings on a decrease of 0.18 stops per loom hour is approximately $23,500 per year for the looms currently on our style 333. We are continuing this work and its application throughout our weaving.

3. Moisture content for the last shipment of starch was tested and the weights were within the manufacturers guarantee.

B. Expense Reductions Planned:

1. We are starting a program to measure the yards on our filling bunches and report the results to the overseer by frame number and doffer.

2. Our cloth bale weights are being followed more closely by the application of control limits. When a bale weighs out of limits it is rechecked for yards and weight.

3. We have begun studying our quill stripper job and anticipate it being nearly completed next month.

4. We plan to begin a restudy of our roving hauling and spinning sweeper jobs next period. These jobs have gotten out of line due to spinning and roving changes.

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5. Last period mention was made of the investigation our laboratory is making into roving draft distributions. It was thought that a decrease in the back or break draft of our Saco-Lowell FS-2, 10x5, 1.80 hank roving frames would improve the quality of our roving, yarn, and decrease ends down in spinning. We mentioned also that we had changed from a break draft of 2.37 to a break draft of 1.66 based on roving non-uniformity results. After checking the results of the yarns made from each of the seven test roving draft distributions, two of these stood out as being better than the others tested. One of these was the 1.66 back draft mentioned above, and the other a back draft of 1.80. We are currently testing larger samples of this roving for yarn quality and ends down in an effort to select the best roving draft distribution for our spinning.

6. We have been using a 15's warp yarn with a twist multiple of 5.00 for our selvage construction in weaving. In an effort to decrease this twist and improve the breaking strength we tested this yarn against a 15's warp with a twist multiple of 3.45. This lower twist is equivalent to the twist in our current production 31.5's warp as computed by the "Universal Precent Twist System" as approved by I. T. T. We found a loss in single end strength in the lower twist yarn before and after slashing. The possibility of another twist multiple, higher than 3.45 and lower than 5.00, giving a stronger yarn is being investigated and tests will be run on a twist multiple of 4.10 to 4.20 as soon as practical

7. We are currently testing each of the Whitin 12x6½ roving frames for weight variations

caused by incorrect tension as recommended in a recent I. T. T. study. A Whitin representative has visited the plant and is to return to change the lay tension and botton cone gearing to correct a portion of this excess weight variation, especially at start-up.

C. Job Assignment Changes Accomplished:

1. Saco-Lowell filling spinners were reassigned and one job absorbed per shift.

D. Job Assignment Changes Planned:

Present permanent jobs	$ 461.25
Permanent jobs last period	464.25
Net gain	3.00
1956 goal	406.50
Savings this period	$ 5,897.00
Accumulated this year	$144,824.00
1956 goal	348,225.00
Balance to accomplish goal	204,401.00

E. Projects completed:

1. Job calculations were completed on all standard spinner jobs and given to the overseer. This included graphs charting standard assignments at various ends down levels.

2. An additional kind of spooler test has been started which evaluates for quality performance the warp doffer, spinner, and section man. This check is helpful in (1) spotting poor piece-ups, cleaning and creeling by spinner; (2) checking doffer strips and yarn tails on full bobbin, and (3) evaluating section men for sloughs and tangled frames.

3. Our 15's selvage yarn was speeded from 135 to 167 RPM

F. Frequency Check Averages:

	Last Period	Accumulated this year
Breaker drawing-Brks/hank	.584	.609
Finisher drawing " "	.468	.352
1.80 HR-Brks/100 spdl. hrs.	2.93	2.21
1.10 HR " " " "	5.74	4.44
31's Warp ends down/M.S.H.	46.5	51.0
33's Filling " "	66.8	55.3
42's Filling " "	44.6	50.8
Spooling—per cent tailings	20.0	22.1
Warping breaks/10,000,000 end yds.	8.72	8.17

Loom stop averages:

Style	Warp	Filling	Misc.	Total	Accumulated this year
S/333 E Broadcloth	1.13	.45	.50	2.08	1.91
S/417 E Print	.36	—	.07	.43	.48
S/333 X Broadcloth	1.09	.56	.36	2.01	2.00

* * *

10. Research projects. No comments.

11. New York office. No comments

12. Plans for new styling or fabric development. No comments.

13. Personnel:

A. Promotions. No comments.

B. Number of trainees hired. No comments

C. Key personnel who have quit.

General Counsel Exhibit N-77

14. Machinery:

A. Bottlenecks. No comments

B. New machinery being investigated. No comments

C. New machinery on order. No comments.

15. Trips. No comments

J. M. O.

Respondents' Exhibit N-3
(pages 49-50)

"THE ROLE OF FACTORING IN MODERN BUSINESS FINANCE"

by

Clyde William Phelps

3. *Advisory Services to Clients*

Throughout the centuries, factors have always performed an important function in extending advice and counsel to their clients on matters affecting profitable operation. The modern factor supplies his client with information and advice not only on financial problems, but also on design or styling of product, marketing conditions, production, and sales.

The large or giant firm can afford the expense of maintaining its own research department to study such problems. But the small or moderate-sized firm is not in such a fortunate position, and may profit from the information and counsel extended by its factor.

The varied nature of the services which a factor may perform for his client in connection with the advising or counseling function are indicated in the following statement.

> (a) Because factors are in a better position to obtain credit information than are most individual companies, they can help a mill to expand to new territories and accounts about which the mill might have little knowledge.
>
> (b) Some factors will conduct market studies to determine if a mill is getting its share of the market, and, if not, to find out why and suggest corrective measures to the mill.
>
> (c) Being familiar with the industry and having a broader outlook on the economy than would most individual companies,

factors can be helpful in advising mills on general economic conditions and trends.

(d) Some factors have been instrumental in rendering mills' distribution setups more efficient.

(e) Progressive, reliable factors seek to aid their accounts on the basis of *personal* service, almost as a management consultant. In addition to helping a mill in long-range financial planning, they will counsel with clients on production, sales, and distribution plans. They may assist with organizational matters, show a mill how to streamline its office procedures, or help in setting up a budget.

(f) They have helped with work load analysis and other industrial engineering functions. They have surveyed mills and advised on machinery replacement and modernization programs.

(g) Some mills have also found factors useful in establishing contacts, for example, with a good selling agency, because of their wide acquaintanceship. One factor recently found a foreign buyer for idle full-fashioned knitting equipment belonging to a client.

(h) In addition, factors help arrange banking connections, may offer suggestions on tax matters, pension plans, trust funds for company officials, etc. Much or all of this counseling is provided free of charge.

(i) Finally, there is the personal angle. Friendship is not apt to play much of a role in ordinary lending operations, but the close relationship that often develops between a factor and his client is one of those intangibles that can sometimes be literally worth a blank check.[62]

As indicated by this detailed listing, these services are specific, rather than general, in nature. For example, the factor knows the amount and the trend of his client's sales for each section of the country. He may compare these figures with those from government and other sources showing the total sales volume and trend for the industry as

a whole in each section and nationally. He is in a position to provide his client with valuable information applying particularly to his situation and to offer specific suggestions and counsel.[68]

The advisory services which a factor renders his client are not "gadgets" conjured up merely as having possible "sales appeal" to clients. The continuous research is undertaken and the vast amount of up-to-date knowledge on problems, trends, and opportunities in the industry is built up in the first instance as a protection for the factor, himself.

The factor is risking millions of dollars in approving credits to a multitude of concerns throughout the country who are customers of his client and of the industry in question. The thorough and current knowledge of all aspects of the industry—including financing, styling, marketing, production, and sales—which the factor gets for his own benefit is of specific value to his client as well.

General Counsel Exhibit O-1

July 20, 1956

Mr. George Rankin
Gaffney Manufacturing Company
Gaffney, S. C.

Dear George:

At one time I put on a night supervisor and there was always some question as to where to draw the line on the man's authority over the night second hands and to what extent he may be responsible to the overseers. The man I had on this job left the mill and I didn't replace him and find that when I had a man, he served a very real purpose.

I am now contemplating putting on a man next month and knowing you have used such a man to good advantage, I would appreciate your sending me a brief outline of the man's duties, amount of authority he has, and to whom does he report.

Thank you for your cooperation, and I shall look forward to hearing from you.

Sincerely yours,

W. A. GOODWIN
W. A. Goodwin
Production Supt.

General Counsel Exhibit 0-2

McCORMICK MILL

McCormick, South Carolina

DATE: March 27, 1956
TO: Southern Personnel Managers
FROM: James R. Morrow
SUBJECT: Personnel Meeting

CC: Mr. Roger Milliken
Mr. K. M. Lowry
Mr. C. G. Johnson
All Treasurers, Managers, or Superintendents

Our next D. M. Personnel group meeting is scheduled at Pacolet #3 & #5, Thursday, April 12, 1956 at 9:30 A. M. Our morning session will be taken up in discussion of any questions that you might have regarding any subject concerning our work. I am sure there are many things we would like to discuss, therefore, in order to have them in digest form I would like for you to send them to me as soon as possible.

You have already been notified that Mr. Harvey Driscoll, Regional Representative of the U. S. Department of Labor, Bureau of Veteran's Reemployment Rights, will speak to us in our afternoon session.

Anyone desiring overnight reservations should write to the Cleveland Hotel, Spartanburg, South Carolina.

J. R. M.

JRM:ks

General Counsel Exhibit O-3

McCORMICK MILL
McCormick, South Carolina

DATE: April 16, 1956
TO: Southern Personnel Managers
FROM: James R. Morrow
CC: Mr. Roger Milliken
Mr. K. M. Lowry
Mr. C. G. Johnson
All Treasurers, Managers or Superintendents

SUBJECT: Minutes of D. M. Personnel Meeting at Pacolet #3 & #5, April 12, 1956

The Chairman, Mr. J. W. Green, Excelsior, Union, presided. Mr. Holland, Superintendent, welcomed the group and made some very interesting comments about the days at Pacolet before they had a Personnel Department, and pointed out how important his Personnel Department is to him.

The minutes of the last meeting were read.

After a discussion concerning the safety suggestion contest it was decided to report to Mr. Paul Wilson that the idea of the contest is very good, however, any future contests should be so worded as to be either for slogans only or for safety ideas which can be put to use.

The safety film committee reported that they had progressed so far as to have the script written by Mr. Gene Permenter of Liberty Mutual and that this subject concerns a spot of oil on the weave room floor, and that the film points out that minor hazards should be reported immediately. This film is ten minutes in length and is in color.

Mr. Green then introduced Mr. Gene Permenter of Liberty Mutual Insurance Company who listed to us the services rendered by Liberty Mutual.

1. Chief Engineer's Office
   a. Vibration

General Counsel Exhibit O-3

b. Structures

c. Special unknown problems

2. Industrial Hygiene
   a. Vapor
   b. Dust
   c. Chemicals
3. Accoustical Engineering
   a. Noise
   b. Loss of hearing
4. Medical Department
   a. Preventive medicine
   b. Rehabilitation
5. Chemical Laboratory (Analysis of toxic chemicals)
6. Mechanical Guard Laboratory (Designs machine guards)
7. Fleet Engineering (Solves parking problems in more heavily industrialized cities)
8. Public Liability Specialist (Makes exit surveys, etc.)
9. Electrical and Public Utilities
10. Motor Transport Department
11. Aircraft (Makes spot checks of company owned aircraft)
12. Elevator Inspection (Twice a year)

He then pointed out how the Servicing Engineer operates when he visits our plants. The basic plan being:

1. Get the facts
2. Analyze the facts
3. Select and write down problems
4. Plan the action
5. Put the plan to work
6. Follow up
7. Submit progress report

Mr. Permenter pointed out that any plant needing more visits by a Servicing Engineer should write to him at 199 North Church Street, Spartanburg, South Carolina.

Discussion of College Trainees:

Several mills desire trainees, but report that they are having difficulty in obtaining these men. Mr. Thornton of the Placement Department pointed out that a new plan of inviting trainees is being discussed and if adapted will be distributed to all mills. Mr. Thornton further stated that we would receive a suggestion that each trainee be sponsored by some Supervisor, such as, a Department Head in production department. The treatment of trainees when they visit with us is generally the same from their arrival to their departure. Mr. C. G. Johnson will be requested to attend the Fall meeting to fully discuss recruiting of trainees and trainee pay. It was agreed that Liberal Arts graduates are as well accepted as technical men.

Mr. Harvey Driscoll, Regional Representative, U. S. Department of Labor, Bureau of Veterans' Reemployment

Rights, Atlanta, Georgia, spoke to us in the afternoon session on Veterans' Reemployment Rights and discussed case histories that have been handled by his office and gave to each person present a copy of the Reemployment Rights handbook. The meeting was then open for questions. These questions and answers are found in this handbook.

Colonel Claude L. Bowen discussed the Reserve Forces Act of 1955. It is briefly outlined below:

* * *

The Fall meeting will be at Gaffney Manufacturing Company. The tentative date being the first part of October.

J R M

JRM:ks

General Counsel Exhibit O-4

DARLINGTON MANUFACTURING COMPANY
DARLINGTON, S. C.

Date: January 21, 1956

To: Mr. R. C. Edwards
Mr. J. J. Morton
Mr. I. S. Pitts
Mr. Alan Sibley
Mr. W. A. L. Sibley
Mr. M. C. Stone

From: J. M. Oeland

We here at Darlington are finally getting around to writing our policies. We are having the help and advice of Charlie Johnson, and we would appreciate it very much if you would be willing to send us a copy of your policies on the subjects listed below. These policies, of course, will be used by us as a guide, and we would like to keep them in our files unless you feel you would like to have them returned, which we would be glad to do at your request.

Regulations and dismissal for cause
Solicitations
Shift assignment and promotions
Leave of absence
Exit interviews
Safety organization
Special safety requirements

J. M. O.

General Counsel Exhibit O-5

December 21, 1956

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Dear Mr. Milliken:

I have received your letter and will follow your suggestion of leaving in the warehouse all customers' goods until we turn over the building to the purchaser. I am very hopeful that most of the goods will be gone after the first week in January. We received from New York this morning shipping instructions on a good many bales to be shipped after January 3. Riegel Textile has here with

* * *

Several of our supervisors have accepted jobs other than with D.M.I.E.D. or Research. Tom Baker, our master mechanic, decided to go to Monarch Mills; Bill Hawkins is going with Sonoco Products; James Sessoms is going to Sonoco; Jack Hancock to Darlington Veneer Company and W. W. Anderson to Springdale Mill at Laurel Hill, N. C. We have only one man here who will go to D.M.I.E.D. for the 90 days to see if he can be placed elsewhere. He is James Anderson the warehouse foreman. C. L. Watford turned down an offer from Monarch Mills and will be here for January and part of February, at least, as we complete getting our records in shape to pass on the someone else at a later date.

General Counsel Exhibit O-5

It is needless for me to say that I am certainly very sorry for the turn of events in the year. I am sure it has been a source of much worry to you, and it is too bad that it could not have been avoided.

With best wishes for the Christmas Season, I am

Yours truly,

J. M. Oeland
Treasurer

General Counsel Exhibit O-6

REPORT OF OPERATIONS

Period Ending November 27, 1955

* * *

6. Planned operating schedule: 144 hours per week. No comments.

* * *

Report of Operations

Overseers' Reports Edited by Mr. Goodwin:

* * *

4. We are having the smash hands keep record of all bobbin and slam-off breakouts so we can determine if any of our looms are out of control.

5. The shop has installed 3 humidity recorders in E and X model rooms to help keep a more constant humidity. We have also added 3 humidity controls in the X model room to get a better distribution of humidity.

* * *

9. All weavers have been instructed again about running more than one end in dropwires and crossing ends behind warp.

* * *

8. B-1 Measures Accomplished and Under Way to Help Prevent Accidents:

1. Guards were put around the No. 12 openers. This eliminates a bad accident hazard in the opening room.

General Counsel Exhibit O-6

Report of Operations

Comments: You will note from the above figures that we are still experiencing a lot of trouble on our X model looms. This trouble is localized on 260 looms that are on 3.90 poplins. It is further localized by the fact that all poplin warps are coming from one slasher where we have experienced so much trouble installing a Griffin size box. Other styles in the mill are running fairly well, and I believe if we could give the proper attention to the looms that the efficiency would be nearer where we had it around 90 per cent. We think we have at last corrected the trouble on the slasher in question. This has only been accomplished in the last few days and it is too early to answer yet definitely that the warps coming from the slasher would be better. All indications are that they will be improved. This confusion has caused us a great deal of concern. It is my opinion that in our attempts to get the weaving to run better, and changing the humidity back and forth, has not helped us any. The poplins are running so badly the weavers are out of heart, and it is causing them to use practices that are not good. We have given them some additional help this week and are paying the weavers on the poplins in line with the average pay received by other weavers on other looms in the mill. We still have several weeks of bad running work as the warps made during the period when the slasher was not properly running will have to be run off before we get started back on improving the loom stops. It is my opinion that we are receiving definite help from Mr. Campbell who we have employed in our warp preparation. I feel the tide is turning and that we will see improvements.

General Counsel Exhibit O-6

Report of Operations

1	Second hand	$ 4,500
1½	Bobbin machine operator	3,780
1	Oiler-Taper	2,830
6	Spinners	20,500
6	Doffers	22,100
1	Cleaner	2,885
3	Slasher Tender	8,900
36	Weavers	135,400
12	Battery hands	34,000
6	Smash hands	17,950
6	Warp man	18,700
1	Quill hauler	2,540
1	Quill machine	2,510
1	Blow off hand	2,725
3	Harness cleaner	8,100
1	Pick clock repair man	2,780
3	Loom fixer	12,200
3	Elevator man	7,700
1	Machinist	4,075
	TOTAL POTENTIAL FUTURE SAVINGS	$348,225

Number of jobs:

Present Period	510½
Previous Period	513½
Net Gain	3
Goal—1956	406½

* * *

General Counsel Exhibit O-6

11. New York office:

Comments: We had a call from Al May yesterday in regard to some 40" 80x72 4.16 printcloths which is an 80 square with fewer picks. The customer wanted to buy 600,000 yards for the first quarter and Monarch was unable to deliver any more goods. This morning I got in touch with Mr. Sibley and he agreed for us to take this business as well as any 80 sq. for first quarter as he was pretty well sold up. We are doing this with the understanding that we will not compete in price with Monarch on this construction, and will make this change for the first quarter looking into sales for the second quarter on a competitive basis with Monarch. If we can make sales on the 80 sq. styles it is our plan to put 253 looms on this. This is a block of E model looms that we have in the upstairs weave room which do not have any auxiliary cam shafts. This move will be helpful to us in relieving the weavers' situation by putting 80 to 100 looms to the weaver on these styles. We then can eliminate some of our submarginal weavers who have been trained in recent months and improve the entire weaving operation, we hope. I certainly trust that this move can be made and get ourselves in better position.

* * *

13. Personnel:

A. Promotions: No comments

B. Number trainees hired: No comments

C. Key personnel who have quit: No comments

* * *

General Counsel Exhibit O-6

14. Machinery:

A. Bottlenecks:

Comments: We are studying anew our bottlenecks with the idea in view of putting more warp frames on 150 front roll speed. At the moment we are having trouble in getting equipment to install creels that will take our 12x6½ roving. These creels have all been installed on the Whitle and 16 on the Saco-Lowell frames that are on filling. We still have 32 more frames to equip with pneumafil open creels. We are having a very hard time getting the equipment here to make this installation in time to take advantage of the 12x6 frames that have all been installed and are presently running. We are looking at our spooling and warping and by some changes we can get the production of the spinning room through this department. If we make sales of 80 sq. as noted above it will mean that we will have some warp yarn available for sale. We are studying our position in this matter should we make the sales on 80 sq.. and try to line up sales for the extra warp yarn we will have available after the first of the year.

B. New machinery being investigated: No. comments.

C. New machinery on order. No comments.

General Counsel Exhibit O-7

REPORT OF OPERATIONS
Period Ending January 22, 1956

* * *

6. Planned operating schedule: 144 hours per week.
Comments: Our weaving production has improved, and with the loss in production in the spinning room referred to above we have not been able to operate at full 144 hours in our weave room. It now looks like we are on the road to getting this corrected, and we are anticipating running the full 144 hours in the weave room as well as delivering to Monarch about 10,000 pounds warp yarn a week.

* * *

8. A. Projects Accomplished to Improve Quality:

* * *

2. In the last period we eliminated one roving section man and the first shift second hand. We have encountered some trouble in this change but we are rapidly overcoming this.

* * *

SLASHING * * *

3. We completely rearranged all the racks in the room to save time for the warp men and to make ready for the automatic section beam lift.

* * *

WEAVING * * *

2. We were able to eliminate 2 oilers in one room.

3. We have taken out six battery hands due to style change, and by increasing the bobbins/hour from 520 to 650.

4. We did not get delivery of the new quill strippers as planned, so it was not possible to eliminate the two quill haulers.

5. We have been able to reduce the weave room humidity to 78% in one room due to the new controls and raising the humidity lines.

* * *

SPINNING:

6. We hope to have the new type bobbin stacker installed next period which should enable us to increase the doffer's assignment as the bobbins will be stacked in the box all in the same direction.

7. Installed the new system for doff boxes and spring bottom bobbin boxes. This allows us to take out three doffers. It necessitated putting in to yarn men, however, for hauling yarn.

8. We installed a new system of follow-up on bad doffs by having each doffer fill out a slip with his name and the frame number. Following this closely should be a help in getting better warp bobbins and increase spooler efficiency.

* * *

WEAVING: * * *

2. Plans are ready to start a maintenance man in the weave room.

* * *

General Counsel Exhibit O-7

SAFETY:

1. Mr. Goodwin has organized a new safety program. Under this program the Carding Department has charge of the weekly safety meetings for the month of January. The following topics have been discussed during these meetings.

   a. Importance of Safety

   b. The desire of management to have a safe plant for employees.

   c. Repeater type of accidents.

   d. Investigation of lost time or medical accidents

   e. Falls

   f. Injuries to eyes

2. The following subjects will be discussed during the next two weeks:

   a. Successful safety programs in other plants

   b. Management's decision on suggestions from previous meetings

   c. Any lost time or medical accident that has occurred this period

   d. Any other safety ideas the committee have for improving safety conditions in our plant.

* * *

General Counsel Exhibit O-7

Report of Operations

* * *

(W. S. Hawkins)

9. A. Expense Reductions Accomplished

Two weavers per shift were eliminated due to style change to semi-feeler goods.

The battery hands have been temporarily assigned on a 650 quills per hour basis pending the outcome of methods studies which are continuing. This assignment basis plus restyling to lighter yarn counts has reduced our jobs by 2.5 per shift.

The first shift card room section man and the second hand jobs have been eliminated.

The warp doffer jobs have been reduced by one per shift due to methods changes and the addition of two yarn men.

The filling doffer jobs have been reduced by one per shift due to yarn count changes.

We had one machinist to resign. We do not plan to replace him.

Two weave room oilers were eliminated.

One tailings hand was eliminated.

Two roving tenders were replaced by two bad work hands.

B. Expense Reductions Planned

The drawing frame changeovers were delayed due to delivery of creels. These are now installed and a reduction of 33 per cent in tenders will be made next period. One creeler will be eliminated next period when the 10x5 roving change is completed on all frames.

Our new quill strippers have held up the reduction in personnel planned for this installation. Delivery is promised for the week of January 23rd. We expect to eliminate 2 jobs with this equipment.

We, plan to increase our loom assignments on several styles due to reduction in stops.

C. Job Assignment Changes Accomplished:

The 10x5 roving piece rate was installed.

The three 12x6½ roving piece rates were installed.

The warp doffer piece rate was adjusted.

Two print cloth styles were installed in the weave room on a piece rate.

Report of Operations

D. Job Assignment Changes Planned:

3 Drawing tenders	$ 9,850
1 Creeler	2,933
1 Quill hauler	2,540
1 Quill stripper	2,510
3 Weavers	11,298
	$29,131

Present permanent jobs	482
Permanent jobs — previous period	505 ½
Net gain	23 ½
1956 Goal	406 ½

Savings this period	$82,708
Accumulated this year	98,041
1956 Goal	348,225
Bal. to accomplish goal	250,184

* * *

General Counsel Exhibit O-7

13. Personnel

A. Promotions:

Comments: We had one of our Clemson boys who had been promoted to second hand in spinning room to quit this week. He could not adjust himself to the pressure of handling the job, and decided he would rather quit than be placed back on the job he did run of our machinery inspector. The man that we presently have on the machinery inspection has done an exceptional job and he is being transferred to the spinning room as second hand on the third shift. We are putting in his place a High School graduate who has been with us the past two years in our spinning room doing overhauling and maintenace work. Here again he has shown exceptional ability to do precision work and we feel that he will very well fill in the job on the machinery inspection program, and give him further training for promotion in all departments. His brother, Walter Sessoms, is a senior at Wofford College. They are both fine boys and we are very interested in pushing Ted along here as he decided not to go to college.

B. Number of trainees hired:

Comments: Carl Zimmerman, a Florence boy who has been working with us during vacations several years, has graduated at Clemson this week and is coming to work Monday morning as a maintenance man in our weave room.

We think a lot of Carl, and have worked him in all departments — and in no case have we found that he did not measure up to our confidence in him. It is my opinion that he very soon could be worked into a second hand job. This we are contemplating doing. The only fly in the ointment is that he has to go through a period of military training.

We are going to push him along here regardless of this and get him as far as we can.

C. Key personnel who have quit.

Comments: I told you when you were here that Oscar Fleming, our Master Mechanic, was planning to go into business for himself. This week we have employed Mr. Jimmy Wells, a second hand in the shop at Gaffney Manufacturing Company. Joe Norton was kind enough to let us talk to Jimmy and he has accepted the position here at Darlington. I had a phone call from Russell Bush who was looking for a man for us and he recommended Jimmy very highly. We appreciate very much Gaffney's working with us in this matter, and are looking forward to getting Mr. Wells located here. We feel that he will materially strengthen our organization. He plans to come to work about the middle of February.

* * *

General Counsel Exhibit O-8

REPORT OF OPERATIONS

Period Ending March 18, 1956.

* * *

6. Planned operating schedule: 144 hours per week

Comments: We are anticipating the regular 144 hours a week production schedule. We are making a drive to complete within the next three weeks all the work we are presently doing in our spinning room. The cost of this work is running around $1000.00 a week and covers the following items: extra cleaning crews to keep up with our scheduled cleaning program; installing of Pneumafil on 48 Saco-Lowell frames; complete changing of the new lifting rods purchased for warp spinning; completion of the double apron system on 16 warp and filling frames.

On completion of the work in the spinning room our production will be materially helped as we have so many frames stopped each day with crews working on them. We are very encouraged by the improvements in ends down where we have completed the work. We had one check this week on a spinner's set averaging 30 ends down per 1000 spindles. We are anticipating as you will notice elsewhere in this report, further reductions in job assignments. I am further confident we can help our spooling and slashing costs by having sufficient warp yarn available. We in turn will need this warp yarn as we are putting on the 26" loom beams on our E model looms, which ties up additional inventory.

* * *

WEAVING

1. We had a representative from the Titan tying machine company to spend some time with each of

our typing and warp preparation men. He gave each of them some very good points on preparing the warp for the tying machine. They are now doing a much better job.

* * *

4. We are going to lose our weave room maintenance man and we are now planning to train another man.

* * *

CLOTH:

1. If we had a double pump on our press, which would cost about $375, it might save a half man. We could not take off one completely as they do other odd jobs such as changing rolls, cleaning up, taking our waste, etc.

2. When we get our seconds down to 3 per cent I can take off one picker and one inspector—which would save around $100 per week.

* * *

9 (C) Job Assignment Changes Accomplished.

1. A new drawing piece rate was installed. This took into account a decrease in can weight on four frames. The purpose was to creel roving frames at the doff with minimum waste and eliminate turn cans.

2. One weaver per shift was added due to increase in loom stops on style 390.

* * *

E. Projects completed:

* * *

3. A job calculation was completed on the yarn hauler.

* * *

13. Personnel:

Comments: We are glad to report that Mr. Grainger from Johnston plant, who was their chief machinist, is going to work for us next Monday morning. Mr. Grainger has made two trips to our plant and Mr. Bill Goodwin seems very well satisfied with his ability to handle our job here. I feel that we are very much indebted to Mr. Peden for his cooperation in releasing Mr. Grainger. I may have written you that this was handled through Charlie Johnson's office. We had requested him to look through his files for any second man in any of the shops whom management had recommended for promotion as master mechanic. I wrote you about losing the Gaffney second hand to New Holland. Mr. Grainger was the only other man in the file that had been recommended by his management for a promotion. I am sure it is gratifying to know that we have again made a promotion within the organizations, and I feel that it has been handled in the right way.

Number of trainees hired:

Comments: We are sorry to report that we are losing Carl Zimmerman, our Clemson man to the army at the end of this month. We had anticipated keeping him until the fall of the year but he was called for active duty by April 1st. This is the third college trainee that we have in service. We may have written you that we are getting a Georgia

Tech man on March 26th who is a cooperative student. We are planning to use him on our tension analyzer for three months. In his other work he was with the New Holland plant. I called Mr. Baker and he agreed that they did not need im for the second go-round and we are glad to get him as we understand he is a very good man. We did go out of our way a little bit to pay him a little more than we have been paying our trainees but feel it is justified under the circumstances.

Key personnel who have quit:—

Comments: We have reported to you previously that Oscar Fleming, our master mechanic, is no longer with us.

* * *

General Counsel Exhibit O-9

REPORT OF OPERATIONS
Period Ended 8/5/56

* * *

6. Planned operating schedule: 144 hours per week. No comments.

* * *

In checking Deering Milliken Research Corporation's report on card repair vs. new parts cost we found that we are now doing most of the recommended work. As our program expands we will include all possible phases of shop repair work.

* * *

SPINNING: * * *

3. Have lined up the doffer assignments which has allowed us to take out one more doffer per shift. We still, however, are working on running time of our warp to get it on an eleven hour cycle.

* * *

WEAVING: * * *

2. We are having the eyes of all weavers and smash hands examined by a local doctor.

* * *

4. We have eliminated one smash hand on each shift in X-model room.

* * *

Comments: Mr. Goodwin is having weekly meetings with all second hands and the overseer of weaving in a drive to improve our loom stops. He is personally

inspecting a group of looms several times a week making a list of anything he finds wrong with that loom. This inspection program is divided up among the second hands of each room and they thoroughly inspect a certain group of looms. The drive is mainly on better loom-fixing and less crossed up warps. We already see some improvement in our loom studies as far as warp stops are concerned. We believe with this continued program we are going to see real progress made in our weaving department. This may be what the union organizer is referring to in a letter this week. In any event we are going right ahead with our plans as we believe this to be sound and constructive.

* * *

9. A. Expense Reductions Accomplished:

1. New rates were installed on warp doffing.
2. The allowance for threading travelers was removed from 20's filling.
3. One yard man was eliminated.
4. Filling doffers and battery hands were reassigned based on increased package size.

* * *

B. Expense Reductions Planned:

1. The quill stripper job study should be completed this period.

* * *

C. Job Assignment Changes Accomplished:

1. The warp and filling doffers were reassigned due to job changes

2. Saco-Lowell spinners were reassigned due to style changes
3. E-model weavers were reassigned due to style changes.

D. Job Assignment Changes Planned:

Present permanent jobs	457.50
Permanent jobs last period	461.25
Net gain	3.75
1956 Goal	406.50
Savings this period	$ 11,399
Accumulated this year	156,223
1956 Goal	348,225.
Balance to accomplish goal	$192,002

* * *

13. Personnel:

A. Promotions. No comments
B. Number of trainees hired: No comments
C. Key personnel who have quit. No comments

General Counsel Exhibit O-10

REPORT OF OPERATIONS

Period Ending September 2, 1956

1. Sales for Period—Net	$ 425,461
Planned sales for period	478,000
Over or (under) planned	(52,539)
Sales this year to date	$4,508,063
Sales last year, same periods	4,952,472
Over and (under) last year	($ 444,409)

	Period	Year to Date
2. Profits for period, subject to taxes	$ (151)	$ 146,158
Planned profits for period	–	176,000
Over or (under) planned	(151)	(29,842)
Profits last year, same periods		$ 229,890

Comments: We are listing below the extraordinary expenses in this period, and you will note that they amounted to $25,832. The large item for $17,500 covered part of our Dixon saddles. This week we have received shipment of part of our Duo-Roth and the saddles and front rolls from Dixon continue to come in weekly. By the end of next period it is possible we will have a sizable payment to make on both items. We are contemplating some extra labor for putting on our Pneunafil, Duo-Roth and new saddles. We will continue to absorb this extra expense for labor in the spinning room.

We are continuing to find that our actual sales are underestimated. One thing that affected sales in this period was

the charge-back by Arcadia of some filling sateens delivered several periods ago. This customer claims that they are having trouble with rolling of selvages, but on investigation by Mr. Shotwell, it was brought out that some of the goods shipped on the order had been finished at three different bleacheries with trouble in some bleacheries much worse than others. The cloth went to a screen printer and the selvages rolled when spread out for screen printing. We are refusing to relieve the customer of the delivery of these goods but Deering Milliken has charged it back to us until the matter is settled.

Freight on looms	$ 3,675.72
Freight on spooler	636.59
Loom beam barrells	838.76
8¾" 3-Ring bobbins	1,675,71
Loom switches	1,505,28
Dixon saddles, parts	17,500.00
	$ 25,832.06

Report of Operations

3. Estimate for sales and profits next three periods:

		Sales	Profits
Period ending:	9–30–56	$463,000	—
	10–28–56	459,000	—
	12– 2–56	446,000	—

Comments: We have advised you that the extraordinary expenses now and until end of year will not only absorb profit that we might have made but also profit year to date. The larger items of these expenses are Duo-Roth and Dixon saddles amounting to $149,000. and the clearing of the supply room area for the 50" looms which will run around $35,000.

4. Number of weeks production on order: 7,469,000 yards equal to 14.2 weeks production.

Comments: We wrote you that our goods on order amounts to about 14 weeks production. This is in line with our last period's report and indicates that we have not lost ground on the whole by our sales but our sales for the period have covered our production.

5. Inventory of cloth, 2,586,521 yards, $536,356. Includes both goods applied and on order and goods for sale. We have 1,482,000 yards of stock on hand for sale, which is equivalent to 2.8 weeks production.

Comments: Our stock on hand for sale went up about 225,000 yards. As reported previously, the biggest item in our inventory at present is our 109x58 broadcloth. This amounted to about 950,000 yards. During the period we did sell some of our inventory of short lengths and poplins and 109's. These goods were sold at a very low price but we felt it was wise to move some of the inventory so that it would not continue to accumulate. As it is, we have in inventory about 360,000 yards of seconds and short lengths.

6. Planned operating schedule: 144 hours per week. No comments.

7. Long or short position of raw materials inventory both on hand and on order: 494 Bales short.

Comments: You will note that we are about 500 bales short. We still have about 5700 bales of futures sold on which we have a loss of about $8.00 per bale. Mr. Truluck was here this week and it is our opinion that as the crop is gathered the hedging operation will depress the market. It certainly seems that we cannot hit any hedging operation that shows a profit.

General Counsel Exhibit O-10

Report of Operations.

* * *

Reports of Overseers edited by Mr. Goodwin

8. A. Projects Accomplished to Improve Quality:

CARDING:

1. Our cotton mix is now 42 per cent Memphis and 58 percent California. We will go to a 50 - 50 per cent mix this coming week.

2. Our Superior Junior cleaner installation was completed this weekend. It is too soon to say just what the extent of the help these cleaners will give us but we are getting a much better mote removal.

3. Whitin's representative set up one 12x6½ roving. There was some improvement but further tests will determine if we get better running roving and spinning.

4. We now have all the coarse filling counts on .80 bank roving. This gives the Carding Department some help in reducing cost per pound.

5. We added a Whitin cage section to our opening line to remove more dust.

SPINNING:

1. Changed 36 frames of filling and 12 frames of warp from 1.10 roving to .80.

2. Lowered roving rods on 40 frames of umbrella creel.

General Counsel Exhibit O-10

3. Polished and turned 9 frames of rings on filling.
4. Put one frame of 2" rings on 1948 model. This completes all 1948 model with these rings.
5. Have plumbed 4 frames New Era spindles.

WEAVING:

1. We have changed 60 X looms to 8¾" bobbins, and to enable us to do this we are having to change the shuttles. We plan to change all of our looms to the 8¾" bobbins.
2. We have set up a program which will make each weaver responsible for keeping the warp and selvages straight on one-third of his set of looms.
3. We are having each blow-off man on E looms clean the ends of three or four looms each day. Our E room is beginning to look much cleaner.
4. We have almost completed on 365 looms the 26" beam change-over. The other 48 looms have not been moved.
5. We have two men on a loom-fixer training program who we intend to put on the new looms when we get them started.

CLOTH:

1. We have changed our grading system and have tightened down on our majors and points. Our broadcloths carry 12 majors and 72 points per hundred yards and prints carry 15 majors, 90 points per hundred

yards. We feel that this has already helped us. We let our inspectors determine whether the cloth is seconds or not. The graders are only cutting it. This will save a lot of money in labor, shorts and remnants. We started out on a low production but the inspectors are back up to 10,500 yards now. I feel that later on we will be able to cut out a grader.

8. B. Projects Under Way and Planned to Improve Quality:

CARDING:

1. We are still waiting for Pneumastop.
2. The ceiling cleaner on our lap conveyor does not keep card room ceiling clean. American Mono-Rail is supposed to come and investigate this problem.
3. We are still working on the hardened builder inserts. These inserts really help the build on a roving bobbin.
4. We have parts on order to change all 12x6½ roving to same gearing Mr. Willingham (Whitin Representative) put on the one frame he changed.
5. We have two sets of ball bearing licker-in bearings on order to try on a card test.
6. We are going to put one more set of roller bearings on a solid steel stack roll.

CLOTH:

1. We are planning on putting "MARK FIX" tools on all the inspectors' frames. This will save a lot of time in the tagging of cloth.

2. We are planning to change one stitcher immediately for the 50" goods which will be on very soon. We already have the equipment.

* * *

8. C. Allowances made during period:

Comments: I referred to the problem we are having with Arcadia on filling sateens and tight salvages. We are further experiencing some problems with Marvin Fabrics on delivery to them of some 80x76 broadcloths. When I was in New York I went to Standard Bleachery to look at some of these goods. They are putting a resin treatment on this cloth and polishing it to be used for draperies in kitchens. Two colors seem to show up the neps much worse than others. They have about 4000 yards on which they are making complaint. We have about 275,000 yards more to deliver on the contract and Mr. Shotwell is working with them as to whether they will cancel out the balance of the contract or not put it in these two colors. I am not sure where we stand on such a complaint. Mr. May understands that we are discussing the cancellation of the contract if the customer agrees.

D. Percentage of first quality on periods production:

Mill totals	92.60%
Last period	93.31%
Decrease	.71%

General Counsel Exhibit O-10

Comments: I wrote you in one of our weekly letters that Bill Goodwin made a trip to Gaffney to go over their cloth room inspection and he found that we could benefit from using their method. We were getting so little for the short lengths that we had to make a change. We are now grading the cloth and if there are sufficient places that we would cut out to be graded into seconds we are putting it into seconds rather than cutting the cloth and putting into short lengths. This has increased our seconds but we are glad to report that for the present week our seconds were down to 4.06 per cent and average 7.8 majors per 100 yards. This is the best we have had for some time and shows the work that is being done by the weave room when we have reported more pieces of seconds. On the whole we feel satisfied that this change will be very helpful to us.

E. Loom efficiencies:

Week ended:	8–11	8–18	8–25	9–1	Totals
Loom E	91.1	91.3	92.0	92.2	91.7
X	89.1	89.2	89.3	89.2	89.2

Mill average 90.67%

Comments: We are delighted to note that our loom efficiencies increased about 1½ per cent during the period over last period. We had improvement in both E and X model rooms. The biggest improvement you will note above came in our E model looms. The work Mr. Goodwin is doing with supervision is paying off both in improvement in seconds and efficiencies.

* * *

General Counsel Exhibit O-10

Report of Operations

* * *

(Mr. Hawkins)

9. A. Expense Reductions Accomplished:

1. Three smash hands were eliminated at a saving of $8,990 per year.

2. As a result of changes and recommendations made by the Whitin field representative on our 12x6½" roving frames the weight variation within the roving bobbins has been decreased. It was mentioned in our last report that after testing each of our 12x6½ frames a strong pattern of lightness at start-up and doff were found. Preliminary tests indicate that a considerable amount of this lightness has been removed as a result of the information received from the Whitin representative.

3. We have established per cent non-uniformity control limits for each process that are based on current testing information and variability. These control limits are designed to indicate whether or not the average N.U. is high as a result of the following:

(a) Individual delivery or creel stock

(b) Frame average

(c) Room average

In addition control limits have been established to indicate excessive delivery to delivery and frame to frame variability.

B. Expense Reductions Planned:

1. Studies are in process toward combining the quill-hauling and quill stripper job. This should eliminate two people.

2. Testing has been started to determine the optimum quality break draft to use on our 0.80 and 1.10 hank roving. This preliminary testing is designed to indicate the best two or three break drafts to use from a group of six to eight possible combinations. The best two or three break drafts will be tested in detail to determine the optimum draft gear combination for our situation.

3. As a result of investigation by our laboratory we are planning to change the two twist constants on our filling spinning to be the same. Indications are that this can be accomplished through the changing of one head and gear on our Saco-Lowell frames and the modification of the twist change gears. We currently have one experimental frame on this and it has proven satisfactory. We contemplate a saving in new gears and a 40-50 per cent decrease in our current twist gear stock. We are holding up on this pending approval of the twist gear modifications by The Research Trust.

C. Job Assignment Changes Accomplished:

1. Smash hand jobs were extended due to the large loom beam installations.

Report of Operations.

D. Job Assignment Changes Planned:

Present permanent jobs	458.25
Permanent jobs last period	461.25

General Counsel Exhibit O-10

Net gain	3.00
1956 Goal	406.50
Savings this period	$8.990.00
Accumulated this year	165.213.00
1956 Goal	348.225.00
Balance to accomplish goal	183.012.00

E. Projects Completed:

1. Speeds were checked from opening through spinning.
2. Spinner rates were computed for new styles.
3. A test was run on spooling with different snick-plate settings.
4. A test was run on spinning with various roving rod settings.
5. Savings estimates were computed for several different size drawing cans.

F. Frequency Check Averages:

	Last Period	Accumulated This Year
1. Breaker drawing—Brks/hank	.630	.609
Finisher drawing " "	.390	.345
1.80 M.R. Brks/100 Spdl. hrs.	2.57	2.26
1.10 H.R. " " " "	7.71	5.02
31's Warp—Ends down/M.S.H.	51.5	51.6
33's Filling " " "	55.5	54.9
42's Filling " " "	51.6	51.9
Spooling	19.0	21.3
Warping	9.94	8.40

2. Loom Stop Averages:

Style	Warp	Filling	Misc.	Total	Accumulated This Year
333 E Broadcloth	1.14	.44	.29	1.87	1.95
417 E Printcloth	.38		.07	.45	.46
333 X Broadcloth	.96	.49	.42	1.87	2.00

Report of Operations

3. Laboratory Quality Summary:

Card Room:

	Percent Non-Uniformity		Average percent C. V.	
	This Year	This Period	This Year	This Period
Picker lap	—	—	1.21	1.13
Card sliver	12.9	17.2	5.22	5.54
Breaker drawing	12.9	16.1	1.66	1.88
Finisher drawing	15.5	17.5	1.40	1.45
0.80 H.R.	31.7	31.7	2.09	2.09
1.10 H.R.	34.7	34.7	1.69	1.40
1.80 H.R.	40.1	40.4	1.40	1.30

Spinning:

	31.5's Warp		33's Filling	
	This Year	This Period	This Year	This Period
Percent Non-uniformity	101.3	102.4	97.5	101.8
Per cent C. V. (over all)	2.82	2.72	2.69	2.40
Imperfections per 50 yards	75.4	60.5	62.8	59.5
Corrected skein break factor	2311	2363	2220	2260
Corrected single end break factor	8944	9481	8425	8836
Percent elongation at break	6.97	6.82	6.91	6.75

Slashed Yarn:

	Slasher #1		Slasher #2	
Single end break (grams)	348.8	356.5	343.3	334.3
Per cent elongation at break	4.87	5.05	4.87	4.91

Cloth bale weights vs. standard 0.247% Heavy 0.069% Light

* * *

General Counsel Exhibit O-10

Report of Operations.

10. Research projects: No comments.

11. New York office:

Comments: On my visit to New York during the period we called on a number of customers to try to get the trend as to their using our broadcloths and poplins. Some customers stated definitely that they felt the 109x58 broadcloths could not be replaced by the 100x58 3.65 and that we could expect some business in the Fall and especially in the Spring. Such comments are not very helpful when we are experiencing a very slow market.

12. Plans for new styling or fabric developments: No comments.

13. Personnel:

A. Promotions: No comments

B. Number of trainees hired: No comments

C. Key personnel who have quit. No comments.

Comments: We have employed a plant nurse who plans to go to work next week. She is a Registered nurse and has had experience in one of the doctor's offices. She had to give up this work because of the fact that she had a child in second grade, and she was often required by the doctor to come back some times at night to help with delivery cases. I called each of the three doctors in town to tell them of our plans and get their comments on Mrs. Huntley. In each case the comments were favorable, and we feel that this is a step in the right direction. We have been trying to find a person to fill this job for at least a

year. I feel that her contacts with people will be helpful to us as well as beneficial in following first aid cases in the plant. We certainly hope it will make an improvement in our safety record.

14. Machinery:

A. Bottlenecks. No comments

B. New machinery being investigated. No comments.

C. New machinery on order: No comments.

15. Trips. No comments.

J. M. O.

General Counsel Exhibit O-11

REPORT OF OPERATIONS

Period Ending September 30, 1956

* * *

6. Planned operating schedule: 144 hours per week.

Comments: We wrote you recently that we are running our weaving 144 hours a week and the other departments as much as necessary to keep the weaving in filling and warp yarn. We have used up our supply of extra warp yarn on hand and our operation except in the card room will be at least five days throughout the plant.

* * *

MACHINERY MAINTENANCE:

Our maintenance man continues his regular cycle. At this time he is working on cards. He is checking all cards for loose nuts, bolts and screws and checking the setting on all gears. This cycle is strictly preventative maintenance as he is replacing no worn parts.

The maintenance man continues to improve and is very much interested in his job. He is fully aware of the importance of preventative maintenance.

* * *

WEAVING: * * *

1. One second hand left this period and was not replaced.

2. Six weavers were taken out of X model room, three due to better running and going to 30 looms on broadcloth and three due to putting looms on 80 sq. hair cord.

* * *

9. * * *

C. Job Assignment Changes Accomplished:

1. None

D. Job Assignment Changes Planned:

1. We plan to eliminate six weavers' jobs next period.

* * *

13. Personnel:

A. Promotions: No comments

B. Number of trainees hired:

Comments: We have three college men who are presently in the armed services. In discussing this matter with Charlie Johnson it was decided if the stockholders voted to liquidate I would write these three men and suggest that they get in touch with Charlie's department on their return to be placed elsewhere in the D. M. Organization. They are all three good men, and I feel that any plant would be fortunate to get them, especially one who has had training all over the mill during vacations and who finished at Clemson College in textiles.

C. Key personnel who have quit:

Comments: I was in Columbia Wednesday night when the faculty of the University was entertained by Charlie Johnson. I discussed with him the status of some

General Counsel Exhibit O-11

of our supervisors. I mentioned especially the fact that our card room and spinning room overseers have about made up their minds to accept the jobs at Morgan Mill in Laurel Hill. Charlie says that he had circulated the appraisal of all of our supervisors to other mills. Hugh Campbell who is our preparation overseer, heard in Greenville yesterday at the show that Pacolet #5 was looking for a preparation man. Bill Goodwin had him call Pacolet this morning and talk with Clarence Holland but Clarence said they did not need a man and that the rumor was without foundation.

General Counsel Exhibit O-12

March 7, 1956

Mr. J. W. Greene
Monarch Mills
Union, South Carolina

Dear J. W.:

I wanted to tell you how much I appreciated your help in looking into Mr. Carl Hicks. I had a call yesterday from Dr. Hope, and after everything considered we about decided to employ the chief machinist at the Johnston plant. This is promoting from within and I feel would be better than to go outside. I wanted to write you to let you know how the matter came out and express to you my appreciation you my appreciation for your interest and help.

I am sure you know that we are all wishing the very best for you in your new position.

Very truly yours,

J. M. OELAND

General Counsel Exhibit O-14

July 20, 1956

Mr. Lewis Ellis
Monarch Mills
Union, South Carolina

Dear Lewis:

It came out at the recent Treasurers' meeting the system you have installed for feeding your reweavable waste back into the opening line. This sounds like a very good idea and I would like to have our Card Room overseer visit Monarch to look over the installation. I would like to have him visit the mill on July 31st. If this is not convenient, please advise.

Sincerely yours,

W. A. GOODWIN,
Production Supt.

General Counsel Exhibit O-15

MONARCH MILLS, UNION, S. C.

Date: March 9, 1956

To: Darlington —Mr. W. A. Goodwin
Mr. W. S. Hawkins
Drayton —Mr. T. C. Jolly
Mr. R. C. Owings
Gaffney —Mr. George Rankin
Mr. Jack Fagan
Hartsville —Mr. D. R. Arrowood
Mr. J. A. Garner
Laurens —Mr. M. G. Wallach
Mr. Jack Armstrong
Mr. A. T. Wilbanks
Lockhart —Mr. J. A. Ferguson
Mr. U. C. Crenshaw
Ottarey —Mr. H. L. Praxt
Mr. C. V. Hudgens
Pacolet #4 —Mr. J. M. Jackson
Mr. B. V. White
Mr. Milon Christman
Pacolet #6 —Mr. Winston Garth
Mr. Frank Hadden
Mr. J. D. Allen
Pacolet #3 and #5 —Mr. C. T. Holland
Mr. T. E. Peterson
Judson —Mr. Alfred New
Mr. Pal Gray
Cotton Dept. —Mr. Barry Defore
Mr. Ray Toher
DMRC —Mr. R. W. McCollough
DMIED —Mr. Harold C. Moss

CC: Mr. Roger Milliken
Mr. M. C. Stone
Mr. Sterling Smith
Mr. K. M. Lowry
Mr. R. B. Newton
Mr. A. B. Sibley
Mr. J. M. Oeland
Mr. H. C. Byrd
Mr. J. J. Norton
Mr. I. S. Pitts
Mr. W. A. L. Sibley
Mr. G. G. Simmons
Mr. J. M. Bailey
Mr. L. C. Ellis
Mr. W. D. McBee
Mr. Ernest Lancaster
Mr. R. H. Yentis
Mr. Hans Klauei

From: J. K. Shannon

Subject: SPINNING CONFERENCE

Attached is the schedule for the Spinning Conference which will be conducted at the Monarch Plant, Union, South Carolina, April 17, 1956, at 10:00 A.M.

Each mill is requested to have the spinning room overseer present and you will note that each mill is allotted fifteen

minutes to present it's progress and experience during the past year.

Lunch will be served in the Conference Room from 12:30 to 1:00. Dinner will be served at the Fair Forest Hotel at 6:30 P.M.

J. K. Shannon

* * *

H. MAINTENANCE

1. Discuss how maintenance inspectors and maintenance men are used in your spinning room. How often are machines inspected by mill inspectors? Where are present demerit levels?

2. Describe regular maintenance performed on spinning room machinery, other than that performed by maintenance men.

General Counsel Exhibit O-20A

FEDERAL TRADE COMMISSION
Washington 25, D. C.

THIS REPORT IS REQUIRED BY LAW. It is mandatory under authority of the Federal Trade Commission Act.

WITHIN 30 DAYS after the end of the period for which this report is requested, complete and return one copy to Federal Trade Commission, Division of Financial Statistics, Washington 25, D. C.

THIS REPORT IS FOR YOUR 3-MONTH PERIOD which ended within the fourth calendar quarter of 1956.

4. This corporation (*check one*):

☐ is not a subsidiary of another corporation.

☐ is a subsidiary of Deering Milliken & Co.

.....

.....

(Name and address of parent corporation)

General Counsel Exhibit O-20B

FEDERAL TRADE COMMISSION
Washington 25.

4. This corporation (check one):

☐ is not a subsidiary of another corporation.

☐ is a subsidiary of

.....

.....
(Name and address of parent corporation)

5. This corporation (check one):

☐ has no subsidiary corporations.

☐ has ..... (Number) domestic and ..... (Number) foreign subsidiary corporations.

Respondents' Exhibit O-1

July 1, 1955

Mr. Roger Milliken
234 S. Fairview Avenue
Spartanburg, S. C.

Newsletter

Dear Mr. Milliken:

We are today receiving the 5-roll lap back drawing purchased by Jim Higginbotham for us from Woodside Mills. I had written you previously that we are planning to get additional 24 deliveries in order to have drawing with the same gauge as our lap back drawing that has been changed to can back. This was purchased at $160.00 a delivery. We are selling to Pacolet some of the 4-roll we purchased last year from Gossett at $65.00 a delivery. I think I wrote you previously that we paid $100.00 a delivery, but this was in error, as we paid $85.00 a delivery. This change was brought about as we went to the 70 gr. sliver, which means that we will have fewer frames in operation using the 5-roll drawing for both breaker and finisher drawing. We are planning to speed this up to get through our poundage production hoping to eliminate one drawing frame tender on each shift. We presently have equipment to experiment on one of these frames with a 15x36" can. This equipment is being purchased from Carolina Foundries. It is very simple and does not require changing the can turn. It is my understanding that we will put it in the 15" can with the same turntable but with a different type coil. This is the cheapest change-over for us, but it has certain limitations which we are looking into.

We are also receiving today the equipment for the blowing off of our looms downstairs. The track and warp beam

conveyer have been in for several weeks. We have been delayed in receiving the blowing off equipment and hope to have this completely installed and running next week.

It has been necessary for us to stop the weave room off two 8-hour shifts the last two weeks. In filling up our 28" loom beams presently being installed in the lower weave room more of our warp yarn went to in-process causing us to have to make this reduction in the hours run by the weave room. It would seem at the moment that we are over the hump—and hope that we can continue to produce enough yarn in the spinning to take care of our weaving necessities. We are changing an average of six looms a day to the 28" beams. We have about completed all the X-model looms that had 22 inch beams on them; we are about half through the entire lower weave room.

It is our plan to shut down the 24 hours of July Fourth in order to save the premium pay for this holiday.

You will note from my exchange of correspondence with Barnes Textiles that we have approved their going ahead with the study in the weave room. Mr. Woodward was here Monday and brought a junior with him who has been on the job this week. It has been decided that we will periodically have discussions with them as to their findings and suggestions especially on items that we can improve on in the immediate future.

We are still working with Mr. Bush's department in having water tested both from our well and drinking water supply and the pond which furnishes sprinkler and boiler supply. We had a letter from Mr. Bush this week stating that he felt the test on the drinking water supply was

all right. Murray Laboratories had stated that the iron in this water being used through our humidifier system might discolor the cloth. We agree with Mr. Bush that this is rather far-fetched, and feel that with the test available our drinking water supply is all right. It was further Mr. Bush's opinion that the treatment of the boiler water which we are presently doing is in order. We sent back this week some water from our storage pond. The other tests we had previously made were from out of the stream that was pumped into our storage pond, and there were certain characteristics of this water that Mr. Bush felt were not satisfactory. We had previously tested the water from the pond and it had looked as if it was all right. We, of course, are at a loss to see what difference there would be from testing the water in the pond and that in the stream. We are still analyzing the entire situation before putting in our new sprinkler system in the two weave rooms. The contract for this has been let to Grinnell Company after bids were sent out by Mr. Bush, as they were the low bidder.

We turned down an offer for a million yards 109x58 3.33 broadcloth for fourth quarter for 22¾ cents from Stein-Tex. We are presently asking 23 cents and with the uncertainty of what we will have to pay for cotton, and the fact that both 80 sq. ad 100x60 broadcloth have gone up we are holding out for the ¼ cent more. Al May said over the phone yesterday we had lost the order to our competitor.

We are receiving very few inquiries at the moment for broadcloths. I was up at North Carolina Finishing recently and it was Mr. Riddle's opinion that the lull was temporary, and usually the third quarter was slow on this

type business. They are anticipating continuing to finish a large amount for customers with the Tebilized finish they are presently doing.

Mr. Stallworth is away on his vacation. I am planning to get off the first two weeks in August if things work out satisfactorily.

Very truly yours,

J. M. Oeland
Treasurer

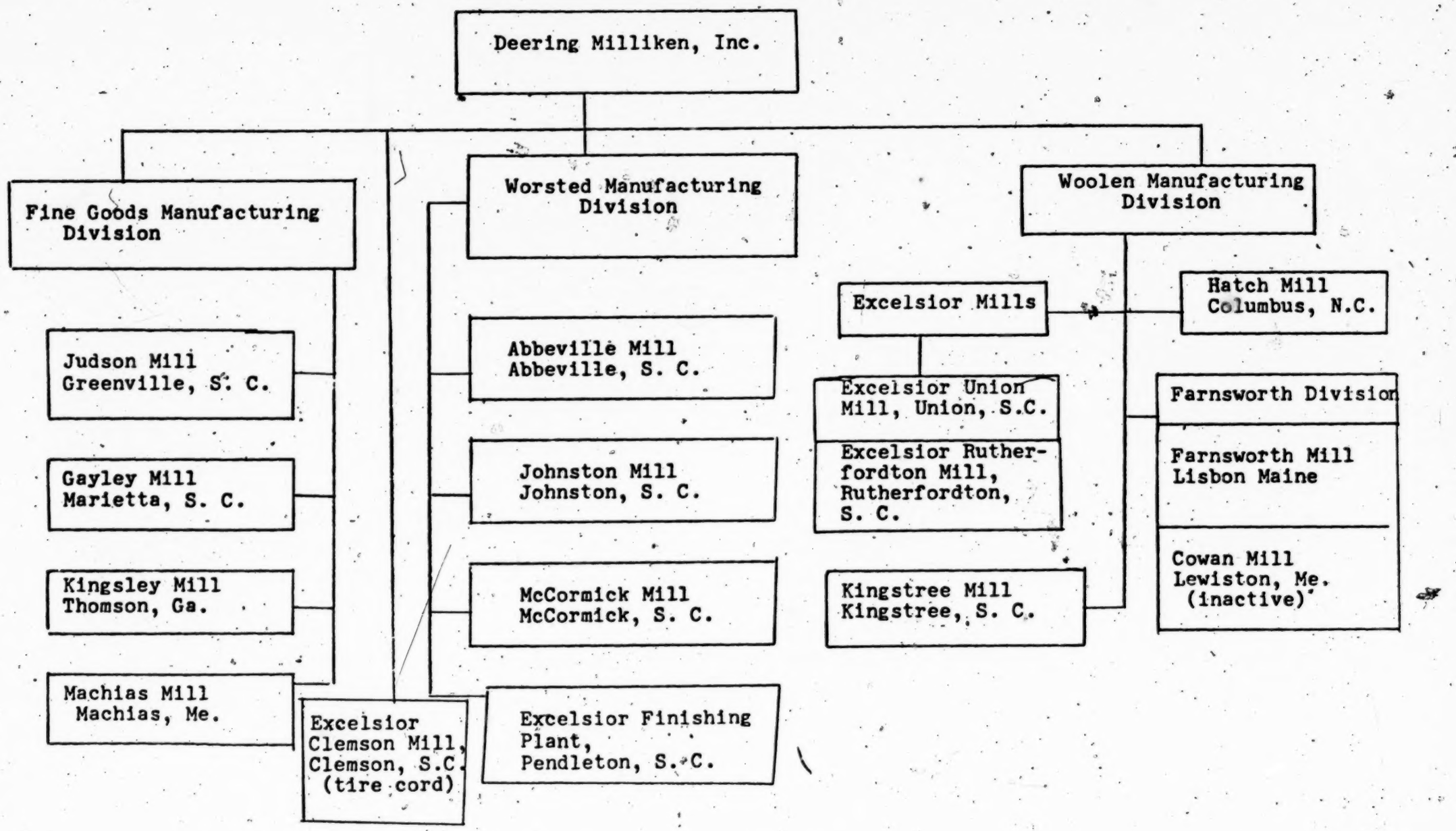
jmo-m

General Counsel Exhibit R-19

PART III

Exhibits at 1962 Hearing

CHART OF TEXTILE MILLS OWNED BY DEERING MILLIKEN, INC. as of December 1, 1960.



General Counsel Exhibit R-21

May 16, 1960

Mr. Paul J. Wilson, Jr. Mgr.
Insurance Department
Deering Milliken Service Corp.
P. O. Box 1903
Spartanburg, South Carolina

RE: WORKMEN'S COMPENSATION
DEERING MILLIKEN, INC.

Dear Mr. Wilson:

In accordance with your letter of May 10, 1960 we are amending the named insured on all of your policies to Deering Milliken, Inc. as of June 12, 1960.

Very truly yours,

JOSEPH F. CONROY
Joseph F. Conroy
Ass't to Vice President

JFC:PJB

CC: Mr. J. R. Blades
Mr. E. F. Flanigan, Comptroller

General Counsel Exhibit R-24

OPERATING DIVISIONS AND SUBSIDIARIES OF DEERING MILLIKEN & CO. INC. AND THE COTWOOL MANUFACTURING CORPORATION

Prepared Pursuant to Order of United States District Court, Middle District of North Carolina.

THE COTWOOL MANUFACTURING CORPORATION (as of 12/1/59)

OPERATING SUBSIDIARIES:

(A) Abbeville Mills Corporation
(B) Excelsior Manufacturing & Merchandising Company
(C) Excelsior Mills, Inc.
Divisions:
(D) Clemson Division
(E) Union Division
(F) Rutherfordton Division
(G) Worsted Division
(H) McCormick Mill
(I) Johnston Mill
(J) Pendleton Finishing Plant
(K) Gayley Mill Corporation
(L) Hatch Mill Corporation
(M) Kingsley Mill Corporation
(N) Kingstree Manufacturing Co. Inc.
(O) Machias Mill, Inc.
(P) Clemson Fabrics, Inc.

OPERATING DIVISIONS

(Q) Farnsworth Division
(R) Cowan Division
(S) Judson Division

DEERING, MILLIKEN & CO. INC. (as of 12/1/59)

OPERATING SUBSIDIARIES:

(T) Deering Milliken Export Corporation
(U) Milliken Woolens, Inc.
(V) Milliken Yarn Sales, Inc.

DIVISIONS

(W) Milium Division

General Counsel Exhibit R-24

DEERING MILLIKEN INC. (as of 12/1/60)

(following Deering Milliken-Cotwool Merger effective June 12, 1960)

SUBSIDIARIES:

(U) Milliken Woolens, Inc.
(B) Excelsior Manufacturing & Merchandising Company
(N) Kingstree Manufacturing Co., Inc.
(O) Machias Mill, Inc.
(P) Clemson Fabrics, Inc.

DIVISIONS:

(S) Judson Mills
(M) Kingsley Mill
(E) Excelsior Woolen Mill
(F) Excelsior Rutherfordton Mill
(Q) Farnsworth Mill
(L) Hatch Mill
(A) Abbeville Mill
(G) Excelsior Worsted Mills
(H) McCormick Mill
(I) Johnston Mill
(J) Pendleton Finishing Plant
(D) Excelsior Clemson Mill
(K) Gayley Mill
(V) Milliken Yarn Sales
(W) Milium Division

General Counsel Exhibit R-25

DEERING MILLIKEN, INC.:
(As of December 1, 1960)

Officers:

President	Roger Milliken
Vice President, Treasurer & Ass't Secretary	Minot K. Milliken
Vice President & Ass't Treasurer	H. A. Hatch
Vice President & Ass't Treasurer	J. R. Smith
Secretary & Ass't Treasurer	C. W. Kable, Jr.
Controller & Ass't Secretary	E. F. Flanigan
Vice President	R. C. Baldridge
Vice President	G. H. Boynton
Vice President	C. M. Burchard
Vice President	C. R. Clausen
Vice President	H. J. Dekker
Vice President	A. J. Dillard, Jr.
Vice President	J. C. Harris
Vice President	F. G. Kingsley
Vice President	A. J. May
Vice President	G. H. Milliken, Jr.
Vice President	S. M. Milliken
Vice President	A. B. Sibley
Vice President	N. B. Woodworth
Ass't Treasurer	F. H. Meserve

Directors:

John H. Bierwirth
H. A. Hatch
F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Operating Divisions:	Division Executives
Judson Mills	A. B. Sibley—President
Kingsley Mill	A. B. Sibley—President
Excelsior Woolen Mill	J. A. Meehan—President
Excelsior Rutherfordton Mill	J. A. Meehan—President
Farnsworth Mill	J. A. Meehan—President
Hatch Mill	J. A. Meehan—President
Abbeville Mill	George Asnip—President

General Counsel Exhibit R-25

Excelsior Worsted Mills	George Asnip—President
Excelsior Clemson Mill	E. D. DeFore—Vice President & General Manager
Gayley Mill	E. O. DeFore—Vice President in Charge of Operations
Milliken Yarn Sales	A. J. Dillard—Vice President
Milium Division	H. V. Kennedy—Manager

Operating Subsidiaries:

Milliken Woolens, Inc.:

Officers:

President	Roger Milliken
Vice President & Treasurer	Minot K. Milliken
Vice President	C. M. Burchard
Vice President	A. J. Dillard, Jr.
Vice President	L. J. Fisher, Jr.
Vice President	F. G. Kingsley
Vice President	E. D. Shaw
Vice President	N. B. Woodworth
Secretary & Ass't Treasurer	C. W. Kable, Jr.
Ass't Secretary	E. F. Flanigan

Directors:

H. A. Hatch
F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

CLEMSON FABRICS, INC.:

Officers:

President	Roger Milliken
Vice President & Treasurer	E. O. DeFore
Secretary	T. N. Hunnicutt

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

EXCELSIOR MANUFACTURING & MERCHANDISING COMPANY:

Officers:

President & Treasurer	Roger Milliken
Secretary & Ass't Treasurer	E. G. Allee

General Counsel Exhibit R-25

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

KINGSTREE MANUFACTURING CO., INC.:

Officers:

President	Roger Milliken
Vice President & Treasurer	J. A. Meehan
Secretary	M. C. Stone, Jr.

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

MACHIAS MILL, INC.:

Officers:

President	Roger Milliken
Vice President & Treasurer	A. B. Sibley
Secretary & Controller	R. L. Collett

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken
A. B. Sibley

JOHNSTON MILL CORPORATION:

Officers:

President	Roger Milliken
Vice President	F. G. Kingsley
Vice President & Treasurer	Minot K. Milliken
Secretary	C. W. Kable, Jr.

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

General Counsel Exhibit R-26

DEERING, MILLIKEN & CO., INC.
(As of December 1, 1959)

Officers:

President	Roger Milliken
Vice President & Treasurer	Minot K. Milliken
Vice President & Ass't Treasurer	H. A. Hatch
Vice President & Ass't Treasurer	J. R. Smith
Vice President & Ass't Secretary	G. H. Milliken, Jr.
Vice President	G. H. Boynton
Vice President	I. P. Crowther
Vice President	A. J. Dillard, Jr.
Vice President	J. C. Harris
Vice President	F. G. Kingsley
Vice President	A. J. May
Vice President	S. M. Milliken
Secretary & Ass't Treasurer	C. W. Kable, Jr.
Controller & Ass't Secretary	E. F. Flanigan

Directors:

H. A. Hatch
F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Operating Subsidiaries:

Deering, Milliken Export Corporation:

Officers:

President	J. C. Harris
Vice President	F. G. Kingsley
Vice President	Minot K. Milliken
Treasurer	Roger Milliken
Secretary	F. H. Meserve
Ass't Secretary	C. W. Kable, Jr.
Controller	E. F. Flanigan

Directors:

J. C. Harris
H. A. Hatch
F. G. Kingsley
Minot K. Milliken
Roger Milliken

General Counsel Exhibit R-26

Milliken Woolens, Inc.:

Officers:

President	Roger Milliken
Vice President and Treasurer	Minot K. Milliken
Vice President	A. J. Dillard, Jr.
Vice President	L. J. Fisher, Jr.
Vice President	F. G. Kingsley
Secretary & Ass't Treasurer	C. W. Kable, Jr.
Ass't Secretary & Controller	E. F. Flanigan

Directors

H. A. Hatch
F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Milliken Yarn Sales, Inc.

Officers:

President	Roger Milliken
Vice President in Charge of Sales	A. J. Dillard, Jr.
Vice President & Treasurer	Minot K. Milliken
Secretary	C. W. Kable, Jr.
Controller	E. F. Flanigan

DEERING, MILLIKEN & CO. INC. (con't)

Milliken Yarn Sales, Inc.

Directors:

H. A. Hatch
F. G. Kingsley
Minot K. Milliken
Roger Milliken

Operating Division:

Milium Division	George M. Jolly, Manager.

General Counsel Exhibit R-27

THE COTWOOL MANUFACTURING CORPORATION:
(As of December 1, 1959)

Officers:

President	Roger Milliken
Vice President & Secretary	Minot K. Milliken
Vice President	G. H. Milliken, Jr.
Vice President—Judson Mill Division	Alan B. Sibley
Vice President—Judson Mill Division	J. M. Bailey
Vice President—Farnsworth Mill Division	J. A. Meehan
Treasurer	F. G. Kingsley
Ass't Treasurer & Ass't Secretary	C. W. Kable, Jr.
Ass't Treasurer	F. H. Meserve
Controller	E. F. Flanigan

Directors:

F. G. Kingsley
Agnes G. Milliken
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken
W. B. D. Stroud

Operating Divisions:

Farnsworth Division (included Farnsworth & Cowan Mills)
Judson Division

Operating Subsidiaries:

Abbeville Mills Corporation:

Officers:

President	Roger Milliken
Vice President & Treasurer	George Asnip
Secretary & Controller	E. A. Rice

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

General Counsel Exhibit R-27

THE COTWOOL MANUFACTURING CORPORATION:
Subsidiaries continued:

Clemson Fabrics, Inc.:

Officers:

President	Roger Milliken
Vice President & Treasurer	Ernest DeFore
Secretary	T. N. Hunnicutt

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Excelsior Manufacturing & Merchandising Company:

Officers:

President & Treasurer	Roger Milliken
Secretary & Assistant Treasurer	E. F. Allee

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Excelsior Mills, Inc.:

Officers:

President & Treasurer	Roger Milliken
Vice President In Charge of Operations—Clemson Division	Ernest DeFore
Vice President—Union & Rutherfordton Divisions	J. A. Meehan
Vice President—Worsted Division	George Asnip
Secretary	C. W. Kable, Jr.

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Divisions:

Clemson Division
Union Division
Rutherfordton Division
Worsted Division (included McCormick and Johnston Mills and Pendleton Finishing Plant)

General Counsel Exhibit R-27

THE COTWOOL MANUFACTURING CORPORATION:
Subsidiaries continued:

Gayley Mill Corporations:

Officers:

President & Treasurer	Roger Milliken
Vice President In Charge of Operations	A. B. Sibley
Secretary, Assistant Treasurer, & Controller	R. L. Collett

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Hatch Mill Corporation:

Officers:

Chairman of the Board	H. A. Hatch
President	Roger Milliken
Vice President & Treasurer	J. A. Meehan
Secretary	R. N. Jones

Directors:

H. A. Hatch
F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Kingsley Mill Corporation:

Officers:

President	F. G. Kingsley
Vice President	Roger Milliken
Treasurer	A. B. Sibley
Secretary & Ass't Treasurer	R. L. Collett

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

General Counsel Exhibit R-27

Kingstree Manufacturing Co., Inc.:

Officers:

President	Roger Milliken
Vice President & Treasurer	J. A. Meehan
Secretary	M. C. Stone, Jr.

THE COTWOOL MANUFACTURING CORPORATION:
Subsidiaries continued:

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken

Machias Mill, Inc.

Officers:

President	Roger Milliken
Vice President & Treasurer	A. B. Sibley
Secretary & Controller	R. L. Collett

Directors:

F. G. Kingsley
G. H. Milliken, Jr.
Minot K. Milliken
Roger Milliken
A. B. Sibley

General Counsel Exhibit R-29

FROM: Mike Gildea

Deering Milliken Research Corporation
Box 1927
Spartanburg, S. C.

FOR RELEASE: AM 12/28/60

Photos available via AP Wirephoto on request to Spartanburg Journal.

SPARTANBURG, S.C., December 28—The appointments of three manufacturing division presidents of Deering Milliken, Inc., were announced today by Roger Milliken, President of the firm.

Alan B. Sibley will head the Fine Goods Manufacturing Division; George Asnip, the Worsted Manufacturing Division, and Joseph E. Meehan, the Woolen Manufacturing Division.

The Fine Goods Manufacturing Division includes Judson Mills, Greenville, S. C.; Gerrish Milliken Mill, Pendleton, S. C.; Kingsley Mill, Thompson, Ga., and Machias Mill, Machias, Me. Mr. Sibley will retain his duties as Vice President of Drayton Mills, Spartanburg, and Hartsville Mill, Hartsville, S. C.

Mills in the Worsted Manufacturing Division include Abbeville Mills, Abbeville, S. C.; McCormick Mill, McCormick, S. C.; Johnston Mill, Johnston, S.C. and Excelsior Finishing Plant, Pendleton, S. C. Mr. Asnip will continue as Treasurer of Laurens Mills, Laurens, S. C.

Included in the Woolen Manufacturing Division are Excelsior Mills, Union, S. C. and Rutherfordton, N. C.; Hatch Mill, Columbus, N. C.; Cowan Mill, Lewiston, Me.; Farnsworth Mill, Lisbon Center, Me. Mr. Meehan also is Treasurer of the Kingstree Manufacturing Co., Kingstree, S. C.

General Counsel Exhibit R-30

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
ELEVENTH REGION

In the Matter of DARLINGTON MANUFACTURING COMPANY, ROGER MILLIKEN, DEERING, MILLIKEN & CO., INC. and TEXTILE WORKERS UNION OF AMERICA, AFL-CIO	Case No. 11-CA-1071

Stipulation

IT IS HEREBY STIPULATED by the attorneys for the respective parties hereto that, in lieu of offering evidence as to any of the matters herein referred to, and solely for the purposes of this proceeding, the facts stated below are to be deemed true as of December 1, 1960:

Members of the Milliken family (meaning the lineal descendants of Seth Milliken) own a majority of the voting shares of Deering Milliken, Inc., by direct ownership of such shares and by ownership of a majority of the voting shares of one or more corporations which own shares in Deering Milliken, Inc.

Dated: Winston-Salem, North Carolina
February 5, 1962.

/s/ Jerry B. Stone
For the General Counsel

/s/ Patricia E. Eames
Attorney for Charging Party

General Counsel Exhibit R-30

PRICE & POAG

by /s/ John R. Schoemer, Jr.
Attorneys for Respondent Darlington Manufactuirng Company

TOWNLEY, UPDIKE, CARTER & RODGERS

by /s/ John R. Schoemer, Jr.
Attorneys for Respondents Deering Milliken, Inc. and Roger Milliken